



## **AGENDA**

### **KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS**

**Kern Medical Center  
1700 Mount Vernon Avenue  
Bakersfield, California 93306**

Regular Meeting  
Wednesday, September 16, 2020

11:30 A.M.

#### **BOARD TO RECONVENE**

Board Members: Alsop, Berjis, Bigler, Brar, McLaughlin, Pelz, Sistrunk  
Roll Call:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN COUNTY HOSPITAL AUTHORITY STAFF. THE "CA" REPRESENTS THE CONSENT AGENDA. CONSENT ITEMS WILL BE CONSIDERED FIRST AND MAY BE APPROVED BY ONE MOTION IF NO MEMBER OF THE BOARD OR AUDIENCE WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

**STAFF RECOMMENDATION SHOWN IN CAPS**



PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. In addition, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))

RECOGNITION

- 3) Presentation by the Chief Executive Officer recognizing Christina Sistrunk for her service on the Kern County Hospital Authority Board of Governors –  
**MAKE PRESENTATION**

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on August 19, 2020 –  
**APPROVE**

CA

- 5) Proposed Change Order No. 1 to Agreement 034-2020 with Lee Construction, Inc., an independent contractor, for construction services related to the fluoroscopy machine installation, increasing the maximum payable by \$11,210, from \$451,742 to \$462,951, to cover the cost of additional services –  
**MAKE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT AMOUNT**

CA

- 6) Proposed Agreement with Fowrooz S. Joolhar, M.D., a contract employee, for professional medical services in the Department of Medicine for the period September 30, 2020 through September 29, 2023, in an amount not to exceed \$1,845,000 –  
**APPROVE; AUTHORIZE CHAIRMAN TO SIGN**

CA

- 7) Proposed Service Agreement and Addendum with OEC Medical Systems, Inc., a GE Healthcare Business, an independent contractor, containing non-standard terms and conditions, for purchase of extended warranty maintenance and glass coverage for the X-ray tube for the OEC C-arm from September 16, 2020 through September 15, 2027, in an amount not to exceed \$81,144 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Amendment No. 1 to Agreement 014-2019 with Meridian Healthcare Partners, Inc., an independent contractor, for Chief Executive Officer and healthcare management services for the period December 16, 2018 through December 15, 2025, revising the contractor staff requirements, and adding a new maximum payable of \$10,387,536 for the two-year period from December 16, 2020 through December 15, 2022 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed Amendment No. 9 to Agreement 947-2008 with Toyon Associates, Inc., an independent contractor, for third-party reimbursement services for the period October 14, 2008 through October 13, 2022, extending the term for two years from October 14, 2020 through October 13, 2022, incorporating changes to the scope of work and hourly rates, and increasing the maximum payable by \$950,000, from \$3,340,000 to \$4,290,000, to cover the extended term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed retroactive Engagement Letter to Agreement 2017-025 with Strata Decision Technology LLC, an independent contractor, for the period March 16, 2017 through March 15, 2022, for purchase of StrataJazz software consulting services, effective August 17, 2020, and increasing the maximum payable by \$95,580, from \$2,257,169 to \$2,353,019, to cover the cost of the purchased services –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- 11) Public hearing regarding proposed closure of the gynecologic oncology clinic located at 2011 19th Street, Bakersfield, and relocation of gynecologic oncology services to 9300 Stockdale Highway, Suite 100, Bakersfield –  
OPEN HEARING; RECEIVE PUBLIC COMMENT; CLOSE HEARING; APPROVE CLOSURE OF GYNECOLOGIC ONCOLOGY CLINIC LOCATED AT 2011 19TH STREET, BAKERSFIELD; DIRECT STAFF TO RELOCATE GYNECOLOGIC ONCOLOGY SERVICES 9300 STOCKDALE HIGHWAY, SUITE 100, BAKERSFIELD

- 12) Review of Board of Governors vacant position selection process –  
RECEIVE AND FILE

- 13) Kern County Hospital Authority Financial report –  
RECEIVE AND FILE

- 14) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVE AND FILE

CA  
15) Claims and Lawsuits Filed as of August 31, 2020 –  
RECEIVE AND FILE

CA  
16) Miscellaneous Correspondence –  
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 17) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 18) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –
- 19) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Kern County Hospital Authority, a public entity, and successor in interest to the County of Kern v. The United States of America, et al., United States District Court, Eastern District of California Case No. 1:19-cv-00474-DAD-JLT –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, OCTOBER 21, 2020, AT 11:30 A.M.

## **SUPPORTING DOCUMENTATION FOR AGENDA ITEMS**

All agenda item supporting documentation is available for public review at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, 93306 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

### **AMERICANS WITH DISABILITIES ACT (Government Code Section 54953.2)**

The Kern Medical Center Conference Room is accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Kern County Hospital Authority Board of Governors may request assistance at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, California, or by calling (661) 326-2102. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

15) CLAIMS AND LAWSUITS FILED AS OF AUGUST 31, 2020 –  
RECEIVE AND FILE

- A) Notice of Intent to File Action in the matter of Daniel Hicks
- B) Confidential Settlement Communication in the matter of Eliska Anderson
- C) Application for Leave to Present Late Claim in the matter of Jihad Hashim
- D) Claim in the matter of Jasveer Rai
- E) Application for Leave to Present Late Claim in the matter of Alizae Bagsby, a minor
- F) Notice of Appeal of Non-reappointment in the matter of R.G., M.D.

16) MISCELLANEOUS CORRESPONDENCE –  
RECEIVE AND FILE

- A) Letter from Director Christina Sistrunk regarding resignation from the Kern County Hospital Authority Board of Governors, effective September 30, 2020



## SUMMARY OF PROCEEDINGS

### KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

**Kern Medical Center  
1700 Mount Vernon Avenue  
Bakersfield, California 93306**

Regular Meeting  
Wednesday, August 19, 2020

11:30 A.M.

#### BOARD RECONVENED

Board Members: Alsop, Berjis, Bigler, Brar, McLaughlin, Pelz, Sistrunk  
ROLL CALL: 6 Present; 1 Absent - Alsop

NOTE: The vote is displayed in bold below each item. For example, Alsop-McLaughlin denotes Director Alsop made the motion and Director McLaughlin seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

#### BOARD ACTION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. In addition, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**  
**NO ONE HEARD**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))

**DIRECTOR BERJIS RECOGNIZED THE STAFF IN THEIR EFFORTS TO RECRUIT SEVEN DIVERSE PHYSICIANS TO THE DEPARTMENT OF OBSTETRICS AND GYNECOLOGY**

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for Kern County Hospital Authority Board of Governors regular meeting on July 15, 2020 –  
APPROVED  
**Pelz-McLaughlin: 6 Ayes; 1 Absent - Alsop**

CA

- 4) Proposed Resolution regarding acceptance of grant proceeds from the California Health Facilities Financing Authority under the Children's Hospital Bond Act of 2018 in the amount of \$9,289,981 –  
APPROVED; ADOPTED RESOLUTION 2020-006  
**Pelz-McLaughlin: 6 Ayes; 1 Absent - Alsop**

CA

- 5) Proposed retroactive Amendment No. 3 to Agreement 161-2016 with Valley Children's Medical Group, Inc., an independent contractor, for on-site consultation services to pediatric patients for the period August 2, 2015 through August 1, 2020, extending the term for one year from August 2, 2020 through August 1, 2021, and increasing the maximum payable by \$161,500, from \$807,500 to \$969,000, to cover the extended term –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 037-2020  
**Pelz-McLaughlin: 6 Ayes; 1 Absent - Alsop**

CA

- 6) Proposed Agreement with Katayoun Sabetian, M.D., Inc., an independent contractor, for professional medical services in the Department of Medicine from September 1, 2020 through August 31, 2022, in an amount not to exceed \$610,000 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 038-2020  
**Pelz-McLaughlin: 6 Ayes; 1 Absent - Alsop**

CA

- 7) Proposed retroactive Sales Order OPT-0245191 with Cerner Corporation, an independent contractor, for the purchase of medical coding services from July 20, 2020 through July 19, 2022, in an amount not to exceed \$1,728,000 –  
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 039-2020  
**Pelz-McLaughlin: 6 Ayes; 1 Absent - Alsop**



CA

- 8) Proposed Agreement with Freedom Healthcare Staffing, an independent contractor, for supplemental healthcare staffing services from August 19, 2020 through August 18, 2021, in an amount not to exceed \$1,684,800 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 040-2020; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN SUPPLEMENTAL DOCUMENTS SUBJECT TO APPROVAL AS TO FORM BY COUNSEL  
**Pelz-McLaughlin: 6 Ayes; 1 Absent - Alsop**

NOTE: DIRECTOR ALSOP JOINED THE MEETING AFTER THE VOTE ON THE CONSENT AGENDA AND BEFORE THE VOTE ON AGENDA ITEM 9

- 9) Kern County Hospital Authority Financial report –  
RECEIVED AND FILED  
**McLaughlin-Berjis: All Ayes**
- 10) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVED AND FILED  
**Pelz-Sistrunk: All Ayes**

CA

- 11) Claims and Lawsuits Filed as of July 31, 2020 –  
RECEIVED AND FILED  
**Pelz-McLaughlin: 6 Ayes; 1 Absent - Alsop**

ADJOURNED TO CLOSED SESSION  
**Alsop-Brar**

CLOSED SESSION

- 12) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 13) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Martin L. Goldman, M.D., an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-100390 SDS – SEE RESULTS BELOW
- 14) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Tyler Andrews, an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-19-103529 TSC – SEE RESULTS BELOW
- 15) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – SEE RESULTS BELOW
- 16) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes and designated staff – Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

**Pelz-Sistrunk**

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 12 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE (MOTION BY DIRECTOR SISTRUNK, SECOND BY DIRECTOR BRAR), THE BOARD APPROVED ALL PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, REVIEW/RELEASE OF PROCTORING, REQUEST ADDITIONAL PRIVILEGES, VOLUNTARY RESIGNATION OF PRIVILEGES, AND AUTOMATIC TERMINATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 13 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Martin L. Goldman, M.D., an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-100390 SDS – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 14 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Tyler Andrews, an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-19-103529 TSC – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 15 concerning Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 16 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes and designated staff – Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, SEPTEMBER 16, 2020, AT 11:30 A.M.

**Sistrunk**

/s/ Mona A. Allen  
Authority Board Coordinator

/s/ Russell E. Bigler  
Chairman, Board of Governors  
Kern County Hospital Authority



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 16, 2020

**Subject:** Proposed Change Order No. 1 to Agreement with Lee Construction, Inc. for construction upgrades related to the fluoroscopy machine installation

**Recommended Action:** Make finding project is exempt from further CEQA review per section 15301, 15302 and 15061(b)(3) of state CEQA guidelines; Approve; Authorize Chairman to sign; Authorize Chief Executive Officer to sign future change orders in an amount not to exceed 10% of the total contract amount

**Summary:**

Kern Medical requests your Board's approval of proposed Change Order No. 1 with Lee Construction, Inc., in the amount of \$11,209.37, to address unforeseen conditions discovered during demolition for the fluoroscopy machine project.

On April 15, 2020, your Board approved an agreement with PHILIPS HEALTHCARE, A Division of Philips North America, LLC, for the purchase a CombiDiagnost R90 fluoroscopy machine for \$456,262.86, a five-year service agreement for \$233,280, and \$598,000 in related construction.

On July 15, 2020, your Board executed an agreement with Lee Construction, Inc., in the amount of \$451,742, for the fluoroscopy-related construction. The construction consists of information technology upgrades, electrical upgrades, seismic anchoring, concrete foundation, paint, flooring, new dedicated HVAC equipment and upgrades to the patient restroom required by the Americans with Disabilities Act (ADA). The fluoroscopy machine cannot be installed without the completion of these construction upgrades.

The construction project is currently on schedule to meet its completion date of November 25, 2020, and to have the fluoroscopy machine operational by the end of the calendar year. To mitigate potential delays to the project, we are requesting your Board authorize the Chief Executive Officer to sign change orders in an amount not to exceed 10% of the total contract amount, which totals \$45,175, for a potential total revised not to exceed amount of \$496,917.

Therefore, it is recommended that your Board (1) make finding project is exempt from further CEQA review per section 15301, 15302 and 15061(b)(3) of state CEQA guidelines; (2) authorize the Chairman to sign Change Order No. 1 in the amount of \$11,209.37; (3) authorize the Chief Executive Officer to sign future change orders in an amount not to 10% of the total contract amount not to exceed \$45,175 including Change Order No. 1; and (4) approve a new total contract amount not to exceed \$496,917.

## CHANGE ORDER

**PROJECT:**

Fluoroscopy Room Remodel  
1700 Mt. Vernon Avenue  
Bakersfield, CA 93306

HOSPITAL CIP NO.: 10037  
AGREEMENT NO.: 034-2020

**CONTRACTOR:**

Lee Construction, Inc  
8027 W. Sunnyview Avenue  
Visalia, CA 93291

CHANGE ORDER NO.: One (1)

DATE: September 16, 2020

DESCRIPTION OF CHANGE	ADD	DEDUCT
1. Provide all labor, material and equipment to extend the electrical wire molding at room 1135. (CP 4; RFI 2)	\$1,076.16	
2. Provide all labor, material and equipment to complete asbestos abatement at rooms 1168 flooring materials and 1135 ceiling acoustic spray. (CP 1)	\$4,715.00	
3. Provide all labor, material and equipment to frame and drywall the film pass-through between the Radiology closet and Dr. Office. (CP 2 IB1)	\$337.55	
4. Provide all labor, material and equipment to reconfigure the HVAC ducting above the ceiling. (CP 3)	\$5,080.66	
<b>CHANGE ORDER NO. 1 TOTAL (ADD)</b>	<b>\$11,209.37</b>	
<b>ORIGINAL CONTRACT PRICE</b>	<b>\$451,741.08</b>	
<b>NEW CONTRACT AMOUNT</b>	<b>\$462,950.45</b>	
<b>Project Commencement Date:</b>	<b>July 20, 2020</b>	
<b>Number of Work Days:</b>	<b>90</b>	
<b>Project Completion Date:</b>	<b>November 25, 2020</b>	

### REASON FOR CHANGE

1. The wall in 1135 Conference Room had to be demolished and pushed out to accommodate the restroom reconfiguration. The wire molding at 1135 needs to be replaced on the new wall.
2. Asbestos was detected at room 3368 floor tiles and 1164 acoustic sprayed on ceiling and had to be abated. This was not included in the original construction bid.
3. When the old film box at the West wall was removed, it was discovered that it protruded into the Dr. Office behind the wall, requiring additional framing and drywall.

4. An allowance in the amount of \$10,000 was included in the bid price to relocate existing HVAC ducting. After further investigations, it was determined the actual cost was more than the allowance.

Funds are available in the contract budget to cover this increase in cost.

**CONFORMANCE WITH SPECIFICATIONS:**

All work shall be done in conformance with the specifications as applied to work of a similar nature.

If the contractor refuses to sign this document, the work listed herein shall be performed on a force account basis.


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**SUBMITTED BY:**

Lee Construction, Inc.

BY:

  
Fung Lee, President

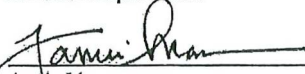
**KERN COUNTY HOSPITAL AUTHORITY**

BY:

Chairman of the Board, Russell Bigler  
"Authority"

**APPROVED AS TO FORM:**  
Legal Services Department

BY:


  
Jamie Mason  
Hospital Counsel

**APPROVED AS TO CONTENT:**  
Kern Medical Center

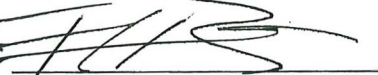
BY:

Russell V. Judd, Chief Executive Officer

BY:

  
Scott Thygerson, President

BY:

  
Thad Bulkeley, Facility Director

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**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 16, 2020

**Subject:** Proposed Agreement with Fowrooz S. Joolhar, M.D., a contract employee

**Recommended Action:** Approve; Authorize Chief Executive Officer to sign

**Summary:**

Kern Medical requests your Board approve the proposed Agreement with Fowrooz S. Joolhar, M.D., a contract employee, for professional medical services in the Department of Medicine. Kern Medical first contracted with Dr. Joolhar on September 30, 2017, for an initial term of three-years. Dr. Joolhar is board certified by the American Board of Internal Medicine in cardiovascular disease.

Dr. Joolhar's annual salary is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents the reasonable fair market value compensation for the services provided by Dr. Joolhar.

Therefore, it is recommended that your Board approve the proposed Agreement with Fowrooz S. Joolhar, M.D., for professional services in the Department of Medicine, from September 30, 2020 through September 29, 2023, in an amount not to exceed, \$1,845,000 and authorize the Chief Executive Officer to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Fowrooz S. Joolhar, M.D.)**

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Fowrooz S. Joolhar, M.D. (“Physician”).

**I.  
RECITALS**

(a) Authority is authorized, pursuant to section 101852 of Part 4 of Division 101 of the Health and Safety Code, to contract for special services with individuals specially trained, experienced, expert, and competent to perform those services; and

(b) Authority requires the assistance of Physician to provide professional medical services in the Department of Medicine at KMC (the “Department”), as such services are unavailable from Authority resources, and Physician desires to accept employment on the terms and conditions set forth in this Agreement; and

(c) Physician has special training, knowledge and experience to provide such services; and

(d) Authority currently contracts with Physician as a contract employee for the provision of professional medical services in the Department and teaching services to resident physicians employed by Authority (Agt. #30917, dated September 14, 2017), for the period September 30, 2017 through September 29, 2020; and

(e) Each party expressly understands and agrees that Agt. #30917 is superseded by this Agreement as of the Commencement Date;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree as follows:

**II.  
TERMS AND CONDITIONS**

1. **Term.** The term of this Agreement shall be for a period of three (3) years, commencing as of September 30, 2020 (the “Commencement Date”), and shall end September 29, 2023 (the “Term”), unless earlier terminated pursuant to other provisions of this Agreement as herein stated. This Agreement may be renewed for additional terms, but only upon mutual written agreement of the parties. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

2. **Employment.** Authority hereby employs Physician for the practice of medicine in the care and treatment of patients at KMC, or at such other clinic sites as KMC may designate (collectively referred to as the “Practice Sites”). It is expressly understood and agreed that KMC shall have reasonable discretion to consolidate and relocate clinics operated by Authority and to re-designate Practice Sites served by Physician from time to time. Physician shall be subject to Authority’s employment policies, directives, rules and regulations as promulgated by Authority from time to time, including, but not limited to, those pertaining to employees.

3. **Representations and Warranties.** Physician represents and warrants to Authority and KMC, upon execution and throughout the Term of this Agreement, as follows: (i) Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the services required under this Agreement; (ii) Physician’s license to practice medicine in the state of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to the terms of probation or other restriction; (iii) Physician’s medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction; (iv) Physician holds a valid Controlled Substance Registration Certificate issued by the Drug Enforcement Administration that has never been revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (v) Physician is not currently and has never been an Ineligible Person<sup>1</sup>; (vi) Physician is not currently the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; and (vii) Physician has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in the state of California and staff membership and privileges at KMC.

4. **Obligations of Physician.**

4.1 **Services.** Physician shall engage in the practice of medicine on a full-time basis exclusively as an exempt employee of Authority. Physician shall render those services set forth in Exhibit “A,” attached hereto and incorporated herein by this reference.

4.2 **Use of Premises.** Physician shall use the Practice Sites as designated by Authority or KMC exclusively for the practice of medicine in the care and treatment of patients and shall comply with all applicable federal, state, and local laws, rules and regulations related thereto.

4.3 **Qualifications.**

4.3.1 **Licensure.** Physician shall maintain a current valid license to practice medicine in the state of California at all times during the Term of this Agreement.

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<sup>1</sup> An “Ineligible Person” is an individual or entity who: (i) is currently excluded, debarred, suspended, or otherwise ineligible to participate in the federal health care programs or in federal procurement or non-procurement programs; or (ii) has been convicted of a criminal offense that falls within the range of activities described in 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.



4.3.2 Board Certification. Physician shall be board certified by the American Board of Internal Medicine in cardiovascular disease-subspecialty, and maintain such certification at all times during the Term of this Agreement.

4.3.3 Medical Staff Status. Physician shall at all times during the Term of this Agreement be a member in good standing of the KMC medical staff with “active” staff status and hold all clinical privileges on the active medical staff appropriate to the discharge of her obligations under this Agreement.

4.3.4 TJC and ACGME Compliance. Physician shall observe and comply with all applicable standards and recommendations of The Joint Commission and Accreditation Council for Graduate Medical Education.

4.4 Loss or Limitation. Physician shall notify KMC in writing as soon as possible (but in any event within three (3) business days) after any of the following events occur: (i) Physician’s license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (ii) Physician’s medical staff privileges at KMC or any other health care facility are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (iii) Physician’s Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (iv) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (v) Physician becomes the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; or (vi) an event occurs that substantially interrupts all or a portion of Physician’s professional practice or that materially adversely affects Physician’s ability to perform Physician’s obligations hereunder.

4.5 Standards of Medical Practice. The standards of medical practice and professional duties of Physician at designated Practice Sites shall be in accordance with the KMC medical staff bylaws, rules, regulations, and policies, the standards for physicians established by the state Department of Public Health and all other state and federal laws and regulations relating to the licensure and practice of physicians, and The Joint Commission.

4.6 Managed Care Contracting. Physician shall cooperate in all reasonable respects necessary to facilitate KMC’s entry into or maintenance of any third-party payer arrangements for the provision of services under any other public or private health and/or hospital care programs, including but not limited to insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations. To enable Authority or KMC to participate in any third-party payer arrangements, Physician shall, upon request: (i) enroll as a provider (if required by the third-party payer), separate from Authority and KMC, with any third-party payer or intermediate organization (including any independent practice association) (each, a “Managed Care Organization”) designated by Authority or KMC for the provision of professional services to patients covered by such Managed Care Organization; (ii) enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care

Organization; and/or (iii) enter into a written agreement with KMC regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization.

4.7 Authorization to Release Information. Physician hereby authorizes Managed Care Organizations, government programs, hospitals and other third parties to release to KMC and its agents any information requested by KMC or its agents from time to time relating to Physician's professional qualifications or competency. Physician agrees to execute the Authorization to Release Information in the form set forth in Exhibit "B," attached hereto and incorporated herein by this reference, and to execute all other documents required by KMC from time to time and to otherwise fully cooperate with KMC to enable KMC and its agents to obtain such information from third parties.

4.8 Medical Records. Physician shall cause a complete medical record to be timely prepared and maintained for each patient seen by Physician. This record shall be prepared in compliance with all state and federal regulations, standards of The Joint Commission, and the KMC medical staff bylaws, rules, regulations, and policies. Documentation by Physician shall conform to the requirements for evaluation and management (E/M) services billed by teaching physicians set forth in the Medicare Carriers Manual, Part 3, sections 15016–15018, inclusive. All patient medical records of Practice Sites, including without limitation, patient medical records generated during the Term of this Agreement, shall be the property of KMC subject to the rights of the respective patients. Upon the expiration or termination of this Agreement by either party for any reason, KMC shall retain custody and control of such patient medical records.

4.9 Physician Private Practice. Physician understands and agrees that she shall not enter into any other physician employment contract or otherwise engage in the private practice of medicine or provide similar services to other organizations, directly or indirectly, during the Term of this Agreement or any extensions thereof.

4.10 Proprietary Information. Physician acknowledges that during the Term of this Agreement Physician will have contacts with and develop and service KMC patients and referring sources of business of KMC. In all of Physician's activities, Physician, through the nature of her work, will have access to and will acquire confidential information related to the business and operations of KMC, including, without limiting the generality of the foregoing, patient lists and confidential information relating to processes, plans, methods of doing business and special needs of referring doctors and patients. Physician acknowledges that all such information is solely the property of KMC and constitutes proprietary and confidential information of KMC; and the disclosure thereof would cause substantial loss to the goodwill of KMC; and that disclosure to Physician is being made only because of the position of trust and confidence that Physician will occupy. Physician covenants that, except as required by law, Physician will not, at any time during the Term or any time thereafter, disclose to any person, hospital, firm, partnership, entity or organization (except when authorized in writing by KMC) any information whatsoever pertaining to the business or operations of KMC, any affiliate thereof or of any other physician employed by KMC, including without limitation, any of the kinds of information described in this paragraph.

4.11 Physician Covenants. Physician covenants that from the Commencement Date and continuing throughout the Term of this Agreement, Physician, unless otherwise permitted by the written consent of Authority shall not, on Physician's own account or as an employee, landlord, lender, trustee, associate, consultant, partner, agent, principal, contractor, owner, officer, director, investor, member or stockholder of any other person, or in any other capacity, directly or indirectly, in whole or in part: (i) engage in any activities that are in competition with KMC, including the operation of any medical practice or offering of any medical services that are similar to services offered at the Practice Sites; (ii) solicit or encourage the resignation of any employee of Authority or KMC with whom Physician had a working relationship during Physician's employment with Authority; (iii) solicit or divert patients with whom Physician had personal contact during such employment; or (iv) influence or attempt to influence any payer, provider or other person or entity to cease, reduce or alter any business relationship with Authority or KMC relating to the Practice Sites.

5. Compensation Package.

5.1 Annual Compensation. Physician shall work full time, which is a minimum of 80 hours per biweekly pay period, and will be compensated with cash and other value as described below in this paragraph 5.1.

5.1.1 Annual Salary. Authority shall pay Physician an Annual Salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for care of KMC patients in the amount of \$555,000 per year, to be paid as follows: Physician shall be paid \$21,346.15 biweekly not to exceed \$555,000 annually. Physician understands and agrees that (i) the Annual Salary set forth in this paragraph 5.1 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey ("MGMA Survey") for specialty and (ii) Physician will maintain a median level of worked relative value units ("Worked RVU") based on the current MGMA Survey and fulfill all the duties set forth in Exhibit "A" during the Term of this Agreement.

5.1.2 Biweekly Payment. Physician shall be paid biweekly on the same schedule as regular Authority employees. The exact date of said biweekly payments shall be at the sole discretion of Authority. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.1.3 Fair Market Value Compensation. The compensation provided under section 5.1 represents the parties' good faith determination of the reasonable fair market value compensation for the services to be provided by Physician under this Agreement.

5.2 Call Coverage. Authority shall pay Physician for diagnostic cardiology call coverage as follows: (i) Physician shall be paid a fixed fee of \$500 per 24-hour day for every weekend and holiday of call coverage assigned that exceeds one in two (1:2) days (Saturday and Sunday; designated Authority holidays only); and (ii) Physician shall be paid a fixed fee of \$250 for every weekday night of call coverage assigned that exceeds one in two (1:2) days (Monday-Friday). All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.3 Professional Fee Billing.

5.3.1 Assignment. KMC shall have the exclusive right and authority to set, bill, collect and retain all fees, including professional fees, for all direct patient care services provided by Physician during the Term of this Agreement. All professional fees generated by Physician during the Term of this Agreement, including without limitation, both cash collections and accounts receivable, capitated risk pool fees, professional retainer fees, honoraria, professional consulting and teaching fees, and fees for expert testimony (but excluding Physician's private investment and nonprofessional income), will be the sole and exclusive property of KMC, whether received by KMC or by Physician and whether received during the Term of this Agreement or anytime thereafter. Physician hereby assigns all rights to said fees and accounts to KMC and shall execute all documents required from time to time by KMC and otherwise fully cooperate with KMC to enable KMC to collect fees and accounts from patients and third-party payers.

5.3.2 Remittance of Professional Fee Charges. Physician shall remit all professional fee charges to KMC within 45 days of the date direct patient care services are provided by Physician. Any professional fee charges not remitted by Physician to KMC within 45 days of the date of such service, or any charges for which relevant documentation has not been provided, will not be credited to Physician as Worked RVU.

5.4 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$1,845,000 over the three-year Term of this Agreement.

6. Benefits Package.

6.1 Retirement. Physician shall continue to participate in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"), a qualified defined contribution pension plan, pursuant to the terms of the instrument under which the Plan has been established, as from time to time amended. Physician is not eligible to participate in any other retirement plan established by Authority for its employees, including but not limited to the Kern County Employees' Retirement Association, and this Agreement does not confer upon Physician any right to claim entitlement to benefits under any such retirement plan(s).

6.2 Health Care Coverage. Physician shall continue to receive the same health benefits (medical, dental, prescription and vision coverage) as all eligible Authority employees. The employee share of cost is 20% of the current biweekly premium. Physician's initial hire date is the initial opportunity to enroll in the health plan. Physician must work at least 40 hours per biweekly pay period to be eligible for coverage.

6.3 Holidays. Physician shall be entitled to paid holidays subject to Authority policy, as amended from time to time. Physician will not be paid for banked holidays upon termination of employment.

6.4 Vacation. Physician shall retain her vacation credit balance, if any, as of the Commencement Date. Effective with the Commencement Date, Physician shall be entitled to

vacation leave subject to Authority policy, as amended from time to time. Physician shall be paid for accrued and unused vacation leave, if any, upon termination or expiration of this Agreement calculated at Physician's current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.

6.5 Sick Leave. Physician shall retain her sick leave credit balance, if any, as of the Commencement Date. Effective with the Commencement Date, Physician shall be entitled to sick leave subject to Authority policy, as amended from time to time. Physician will not be paid for accrued and unused sick leave upon termination of employment.

6.6 Education Leave. Physician shall receive 80 hours paid education leave annually. The first 80 hours will accrue on the Commencement Date. On each successive Employment Year, if any, an additional 80 hours paid education leave will accrue. Education leave must be used within the year that it is accrued. Physician will not be paid for unused education leave upon termination of employment. The Department Chair must approve education leave in advance of use. Physician's participation in educational programs, services or other approved activities set forth herein shall be subordinate to Physician's obligations and duties under this Agreement.

6.7 CME Expense Reimbursement. Authority shall reimburse Physician for all approved reasonable and necessary expenditures related to continuing medical education in an amount not to exceed \$2,500 per Employment Year, payable in arrears, in accordance with Authority policy, as amended from time to time. This amount may not be accumulated or accrued and does not continue to the following Employment Year.

6.8 Kern\$Flex. Physician shall be eligible to participate in flexible spending plans to pay for dependent care, non-reimbursed medical expenses, and certain insurance premiums on a pre-tax basis through payroll deduction. This is a voluntary benefit that is paid by Physician if she elects to participate in the plan.

6.9 Attendance at Meetings. Physician shall be permitted to be absent from KMC during normal working days to attend professional meetings and to attend to such outside professional duties in the healthcare field as may be mutually agreed upon between Physician and the Department Chair. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and will not be considered vacation or education leave.

6.10 Unpaid Leave of Absence. Physician may take an unpaid leave of absence in accordance with Authority policies in effect at the time the leave is taken.

6.11 Social Security. Physician is exempt from payment of Social Security taxes as the Kern County Hospital Authority Defined Contribution Plan for Physician Employees is a qualified alternative to the insurance system established by the federal Social Security Act.

6.12 Deferred Compensation. Physician shall be eligible to participate in the Kern County Deferred Compensation Plan (“457 Plan”) on a pre-tax basis. Physician shall make all contributions if she elects to participate in the 457 Plan.

6.13 Disability Insurance. Physician shall be eligible to purchase Long Term Disability or Short Term Disability insurance coverage through payroll deduction on a post-tax basis. This is a voluntary benefit that is paid by Physician if she elects to participate in the plan.

6.14 Employee Assistance/Wellness Programs. Physician shall be eligible to participate in any Authority-sponsored employee assistance and employee wellness programs.

6.15 Limitation on Benefits. Except as expressly stated herein, Physician shall receive no other benefits from Authority.

7. Assignment. Physician shall not assign or transfer this Agreement or her obligations hereunder or any part thereof. Physician shall not assign any money due or which becomes due to Physician under this Agreement without the prior written approval of Authority.

8. Assistance in Litigation. Upon request, Physician shall support and assist Authority as a consultant or expert witness in litigation to which Authority is a party.

9. Authority to Incur Financial Obligation. It is understood that Physician, in her performance of any and all duties under this Agreement, has no right, power or authority to bind Authority to any agreements or undertakings.

10. Captions and Interpretation. Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

11. Choice of Law/Venue. This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.

12. Compliance with Law. Physician shall observe and comply with all applicable Authority, local, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.

13. Confidentiality. Physician shall maintain confidentiality with respect to information that she receives in the course of her employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.

14. **Conflict of Interest.** Physician covenants that she has no interest and that she will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of her services hereunder. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, Authority may immediately terminate this Agreement by giving written notice thereof.

15. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

16. **Dispute Resolution.** In the event of any dispute involving the enforcement or interpretation of this Agreement or any of the rights or obligations arising hereunder, the parties shall first attempt to resolve their differences by mediation before a mediator of their mutual selection. If the parties are, after mutual good faith efforts, unable to resolve their differences by mediation, the dispute shall be submitted for trial before a privately compensated temporary judge appointed by the Kern County Superior Court pursuant to Article VI, section 21 of the California Constitution and Rules 3.810 through 3.830 of the California Rules of Court. All costs of any dispute resolution procedure shall be borne equally by the parties.

17. **Enforcement of Remedies.** No right or remedy herein conferred on or reserved to Authority is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

18. **Indemnification.** Authority shall assume liability for and indemnify and hold Physician harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys' fees and judgments incurred by Physician or for which Physician becomes liable, arising out of or related to services rendered or which a third party alleges should have been rendered by Physician pursuant to this Agreement. Authority's obligation under this paragraph shall extend from Physician's first date of service to Authority and shall survive termination or expiration of this Agreement to include all claims that allegedly arise out of services Physician rendered on behalf of Authority; provided, however, that the provisions of this paragraph shall not apply to any services rendered at any location other than Practice Sites without approval by the Kern County Hospital Authority Board of Governors and, provided further, that Authority shall have no duty or obligation to defend, indemnify, or hold Physician harmless for any conduct or misconduct found to be intentional, willful, grossly negligent, or criminal.

19. **Invalidity of a Portion.** Should a portion, section, paragraph, or term of this Agreement be construed as invalid by a court of competent jurisdiction, or a competent state or federal agency, the balance of the Agreement shall remain in full force and effect. Further, to the extent any term or portion of this Agreement is found invalid, void or inoperative, the parties agree that a court may construe the Agreement in such a manner as will carry into force and effect the intent appearing herein.

20. **Modifications of Agreement.** This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification.

21. **Non-appropriation.** Authority reserves the right to terminate this Agreement in the event insufficient funds are appropriated or budgeted for this Agreement in any fiscal year. Upon such termination, Authority will be released from any further financial obligation to Physician, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. Physician shall be given 30 days' prior written notice in the event that Authority requires such an action.

22. **Nondiscrimination.** No party to this Agreement shall discriminate on the basis of race, color, religion, sex, national origin, age, marital status or sexual orientation, ancestry, physical or mental disability, medical conditions, political affiliation, veteran's status, citizenship or marital or domestic partnership status or on the basis of a perception that an individual is associated with a person who has, or is perceived to have, any of these characteristics.

23. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of Authority. Forbearance or indulgence by Authority in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Physician. Authority shall be entitled to invoke any remedy available to Authority under this Agreement or by law or in equity despite said forbearance or indulgence.

24. **Notices.** Notices to be given by one party to the other under this Agreement shall be given in writing by personal delivery, by certified mail, return receipt requested, or express delivery service at the addresses specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A party may change the address to which notice is to be given by giving notice as provided above.

Notice to Physician:

Fowrooz S. Joolhar, M.D.  
1732 N. Harvard Boulevard, #206  
Los Angeles, California 90027

Notice to Authority:

Kern Medical Center  
1700 Mount Vernon Avenue  
Bakersfield, California 93306  
Attn.: Chief Executive Officer

25. **Relationship.** Authority and Physician recognize that Physician is rendering specialized, professional services. The parties recognize that each is possessed of legal knowledge and skill, and that this Agreement is fully understood by the parties, and is the result of bargaining between the parties. Each party acknowledges their opportunity to fully and independently review and consider this Agreement and affirm complete understanding of the effect and operation of its terms prior to entering into the same.

26. **Severability.** Should any part, term, portion or provision of this Agreement be decided finally to be in conflict with any law of the United States or the state of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions



shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.

27. **Sole Agreement.** This Agreement contains the entire agreement between the parties relating to the services, rights, obligations, and covenants contained herein and assumed by the parties respectively. No inducements, representations, or promises have been made, other than those recited in this Agreement. No oral promise, modification, change, or inducement shall be effective or given any force or effect.

28. **Termination.**

28.1 **Termination without Cause.** Either party shall have the right to terminate this Agreement, without penalty or cause, by giving not less than 90 days' prior written notice to the other party.

28.2 **Immediate Termination.** Authority may terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following events: (i) Authority determines that Physician does not have the proper credentials, experience, or skill to perform the required services under this Agreement; (ii) Authority determines the conduct of Physician in the providing of services may result in civil, criminal, or monetary penalties against Authority or KMC; (iii) Physician violates any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or Practice Sites is subject; (iv) Physician engages in the commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty against Authority or KMC; (v) the actions of Physician result in the loss or threatened loss of KMC's ability to participate in any federal or state health care program, including Medicare or Medi-Cal; (vi) Physician's license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (vii) Physician's medical staff privileges are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (viii) Physician's Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (ix) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (x) Physician fails to make a timely disclosure pursuant to paragraph 4.4; (xi) Physician engages in conduct that, in the sole discretion of Authority, is detrimental to patient care or to the reputation or operations of Authority and/or KMC; (xii) Physician breaches the confidentiality provisions of this Agreement; (xiii) Physician dies; (xiv) Physician fails to follow Authority's policies and procedures and other rules of conduct applicable to all employees of Authority, including without limitation, policies prohibiting sexual harassment; (xv) insubordination, flagrant tardiness, or interpersonal problems in the workplace with colleagues, patients or associates; or (xvi) Physician breaches any covenant set forth in paragraph 4.11.

29. **Effect of Termination.**

29.1 Payment Obligations. In the event of termination of this Agreement for any reason, Authority shall have no further obligation to pay for any services rendered or expenses incurred by Physician after the effective date of the termination, and Physician shall be entitled to receive compensation for services satisfactorily rendered, calculated on a prorated basis up to the effective date of termination.

29.2 Vacate Premises. Upon expiration or earlier termination of this Agreement, Physician shall immediately vacate KMC, removing at such time any and all personal property of Physician. KMC may remove and store, at the expense of Physician, any personal property that Physician has not so removed.

29.3 No Interference. Following the expiration or earlier termination of this Agreement, Physician shall not do anything or cause any person to do anything that might interfere with any efforts by Authority or KMC to contract with any other individual or entity for the provision of services or to interfere in any way with any relationship between KMC and any person who may replace Physician.


29.4 No Hearing Rights. Termination of this Agreement by Authority or KMC for any reason shall not provide Physician the right to a fair hearing or the other rights more particularly set forth in the KMC medical staff bylaws.

30. Liability of Authority. The liabilities or obligations of Authority with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Authority and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California.

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Agreement as of the day and year first written above.

PHYSICIAN

By  9/10/20  
Fowrooz S. Joolhar, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Chairman  
Board of Governors

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Russell V. Judd  
Chief Executive Officer

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By \_\_\_\_\_  
VP & General Counsel  
Kern County Hospital Authority

Agreement.Joolhar.090820

**EXHIBIT “A”**  
**JOB DESCRIPTION**  
**Fowrooz S. Joolhar, M.D.**

**Position Description:** Reports to Chair, Department of Medicine and Chief, Division of Cardiology; serves as a full-time faculty member in the Department providing no fewer than 80 hours per pay period; works collaboratively with clinic and surgery staff as well as hospital administration to ensure efficient workflow, adequacy of support equipment, and superior patient experience.

**Essential Functions:**

1. Clinical Responsibilities and Assignments:
  - Supervise residents and medical students assigned to the cardiology service while on service
  - Provide weekday professional staffing on medical/surgical and ICU patients
  - Provide mutually agreed upon weeknight and weekend/holiday after hours call coverage
  - Supervise procedures performed by residents and mid-levels while on service
  - Perform therapeutic and diagnostic procedures within the scope of practice for an invasive cardiologist
  - Provide coverage for outpatient clinic services a minimum of three (3) half days per week
  - Provide interpretation of diagnostic examinations (echocardiogram, stress test, Holter monitor, etc.)
  
2. Administrative Responsibilities:
  - Attend Department staff meetings and the annual medical staff meeting
  - Participate in medical staff committees as assigned by the President of the Medical Staff
  - Participate in clinical and administrative integration efforts across that hospital as appropriate for cardiology, ensuring proper program planning, resource allocation, analysis, communication, and assessment
  - Gather data through best practices and collaborate with other members of the Department and Division to recommend services that will increase productivity, minimize duplication of services, increase workflow efficiency, and provide the highest quality patient care
  - Participate in the preparation, monitoring, review, and performance of Division clinical activity
  - Support the Department Chair and Division Chief in developing monitoring tools to measure financial, access, quality, and satisfaction outcomes
  - Complete medical records in a timely fashion and work to improve the quality, accuracy, and completeness of documentation
  - Work collaboratively with other clinical departments to develop a cohesive and collaborative environment across departments with a focus of enhancing access to patient care for inpatient and outpatient services
  - Follow and comply with the Medical Staff Bylaws, rules, regulations, and policies as well as Authority and KMC policies and procedures

3. Teaching Responsibilities:

- Establish and maintain appointment at the David Geffen School of Medicine at University of California, Los Angeles
- Provide medical education including didactic lectures, education and mentoring of resident physicians and medical students during rounds and in the clinic setting
- Prepare residents for oral boards and reviews case logs
- Provide didactic lectures based on standard curriculum, as assigned by the Department Chair and/or Program Director
- Participate in EKG conferences
- Provide cardiology board review sessions, as assigned by the Department Program Director
- Attend monthly morbidity and mortality conference and journal club, as assigned by the Department Chair, or designee, when cardiology cases are discussed

**Employment Standards:**

Completion of an accredited residency program in internal medicine; completion of a fellowship in cardiology; one (1) year of post-residency experience in non-invasive cardiology desirable

AND

Possession of a current valid Physician's and Surgeon's Certificate issued by the state of California

AND

Certification by the American Board of Internal Medicine in cardiovascular disease-subspecialty

**Knowledge of:** The principles and practices of modern medicine; current techniques, procedures, and equipment applicable to the field of cardiology and cardiovascular disease; principles of effective supervision and program development.

[Intentionally left blank]

**EXHIBIT "B"**

**AUTHORIZATION TO RELEASE INFORMATION**

[See attached]

**AUTHORIZATION TO RELEASE INFORMATION**

I, the undersigned physician, hereby authorize Kern Medical Center (“KMC”) and its duly authorized representatives to obtain information from time to time about my professional education, training, licensure, credentials competence, ethics and character from any source having such information. This information may include, without limitation, peer review information, DRG and RVU analyses, ancillary usage information and other utilization and quality related data.

I hereby release the Kern County Hospital Authority and KMC, its authorized representatives and any third parties from any liability for actions, recommendations, statements, reports, records or disclosures, including privileged and confidential information, involving me that are made, requested, taken or received by KMC or its authorized representatives to, from or by any third parties in good faith and relating to or arising from my professional conduct, character and capabilities.

I agree that this authorization to release information shall remain effective until termination of my employment by the Kern County Hospital Authority and KMC. A duplicate of this authorization may be relied upon to the same degree as the original by any third party providing information pursuant to this request.

  
\_\_\_\_\_  
Physician

9/10/20  
\_\_\_\_\_  
Date



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 16, 2020

**SUBJECT:** Proposed Service Agreement and Addendum with OEC Medical Systems, Inc., a GE Healthcare business

**Requested Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the proposed Service Agreement and Addendum with OEC Medical Systems, Inc. for DeluxeCare with glass service, which includes extended warranty, maintenance and glass coverage for the X-ray tube for the Kern Medical OEC C-arm. The C-Arm was previously purchased with grant funding, but at the time of the purchase, a Service Agreement was not. All remaining Kern Medical C-arms are covered by extended warranties.

The term of the Services Agreement and Addendum, effective September 16, 2020, is for seven years at a cost of \$11,592 per year for a total cost of \$81,144 for the initial seven-year term.

Counsel is unable to approve the agreement as to form due to the inability to terminate the Service Agreement without cause. The Service Agreement does contain a provision for termination in the event of insufficient appropriations and an additional provision that if the product is sold, traded-in or upgraded, that it can be removed from the Service Agreement with 60 days' prior written notice. As the service will be required over the life of the agreement, it is not anticipated that the agreement will be terminated early for reasons other than those provided for in the Service Agreement.

Given the above, Kern Medical recommends that your Board approve the proposed Services Agreement and Addendum with OEC Medical Systems, Inc., a GE Healthcare business for a seven-year term, beginning September 16, 2020, with a maximum payable of \$81,144, and authorize the Chairman to sign.





GE Healthcare Service Quotation

Mike Larsen
West Contracts Manager
801-517-6728

Please fax to: 801-459-4063

Bill To:
KERN COUNTY HOSPITAL AUTHORITY
1700 Mount Vernon Ave.
Bakersfield, CA 93306

Equipment Location:
KERN COUNTY HOSPITAL AUTHORITY
1700 Mount Vernon Ave.
Bakersfield, CA 93306

Attn:

Table with 6 columns: Quotation Date, Contract #, Serial Number, Product Covered, Effective Date, End Date. Row 1: 4/29/20, , E2XXX06580, 9900 12", Upon Signature, . Row 2: Bill To ID, Site ID, Service District, State Registration, PO Number.

DeluxeCare with Glass includes:

- Travel and Labor 8am-5pm M-F excluding holidays
• 95% uptime guarantee
• Priority parts delivery
• Includes glassware (X-ray tube and Image Intensifier)
• Parts coverage excluding items listed in this Agreement (includes batteries)
• Annual multi-point manufacturer planned maintenance inspection, performed by GE Healthcare-certified Field Engineer
• Preferred rates outside coverage hours
• 8am-5pm telephone support
• Operating system/hardware reliability updates
• Service Management Reports
• 10% discount on consumables (excluding NAV)

Annual Onsite Clinical Applications Days (consecutive):

0 days per year

Please mark contract term below:

X 7 year contract with multi discount
Contract is payable at \$11,592 per year

Fee Schedule:

Payment Terms are Net 30 days, to be billed Annually unless otherwise indicated below:

Annual Payments ( )
Quarterly Payments ( )
Monthly Payments (X)

The price(s) identified in this Quotation are good for 20 days from the Quotation Date identified above.

This Agreement is by and between the "Customer" and the GE Healthcare business ("GE Healthcare"), each as identified below, for the sale and purchase of the Services identified in this Quotation, together with any applicable schedules referred to herein ("Quotation"). "Agreement" is defined as the GE Healthcare: (1) Quotation; (2) Statement of Service Deliverables; and (3) Service Terms & Conditions, that apply to the Products and/or Service identified on this Quotation. In the event of conflict, the order of precedence is as listed.

Product sold, traded-in or upgraded by Customer may be removed from this Agreement with 60 days' prior written notice to GE Healthcare, and fees will be adjusted as set forth in this Agreement. All other removals of Product from this Agreement prior to the Agreement expiration date will be subject to a cancellation fee of 15% of the remaining Agreement value.

GE Healthcare can withdraw this Quotation at any time before "Quotation Acceptance", which occurs on the later of: (a) the Effective Date identified above or (b) Customer's signature date. This Agreement cannot be backdated. On Quotation Acceptance, this Agreement is the complete and final agreement of the parties relating to the Services identified in this Quotation. There is no reliance on any terms other than those expressly stated or incorporated by reference in this Agreement and, except as permitted in this Agreement, no attempt to modify will be binding unless agreed to in writing by the parties. Modifications may result in additional fees and cannot be made without GE Healthcare's prior written consent. Handwritten or electronic modifications on this Agreement (except signatures on the signature blocks below) are void. This Agreement is not part of an umbrella or other group purchasing agreement unless otherwise indicated.

The parties have caused this Agreement to be executed by their authorized representative as of the last signature date below.

OEC Medical Systems, Inc., a GE Healthcare business

Kern County Hospital Authority

Signature: [Signature]

Signature: \_\_\_\_\_

Print Name: Michael Larsen

Print Name: Russell Bigler

Title: Healthcare Service Account Manager

Title: Chairman, Board of Governors

Date: August 13, 2020

Date: \_\_\_\_\_

PLEASE SIGN AND RETURN TO: OEC Medical Systems, Inc., a GE Healthcare business

REVIEWED ONLY
NOT APPROVED AS TO FORM

By [Signature] Page 1 of 6
Legal Services Department





- 1. Definitions.** As identified in this Agreement, "Equipment" is hardware and embedded software that is licensed with the purchase of the hardware delivered to Customer in GE Healthcare's packaging and with its labeling; "Software" is software developed by GE Healthcare and/or delivered to Customer in GE Healthcare's packaging and with its labeling, and Documentation associated with the software; "Third Party Software" and "Third Party Equipment" are respectively software developed by a third party, and hardware and embedded software that is licensed with the purchase of the hardware, that is delivered to Customer in the third party's packaging and with its labeling (collectively, "Third Party Product"); "Product" is Equipment, Software and Third Party Product; and "Services" is Product support or professional services. "Healthcare Digital Products" are: (i) Software identified in the Quotation as "Centricity"; (ii) Third Party Software licensed for use in connection with Centricity Software; (iii) hardware used to operate Centricity or Third Party Software; (iv) Services provided for implementation, installation or support and maintenance of Centricity or Third Party Software licensed for use in connection with Centricity Software; and/or (v) any Product or Service that is identified in a Healthcare Digital Quotation. "Specifications" are GE Healthcare's written specifications and manuals as of the date the Equipment shipped. "Documentation" is the online help functions, user instructions and manuals regarding the installation and operation of the Product as made available by GE Healthcare to Customer.
- 2. Term and Termination.** Software licenses and/or Services will have individual term lengths identified in the Quotation. If there is a material breach of this Agreement that is not cured by the breaching party within 60 days from receipt of written notice, the non-breaching party can terminate it. Other than as set forth in this Agreement, neither party can unilaterally terminate it. Any remaining undisputed, unpaid fees become immediately due and payable on expiration or termination.
- 3. Inventory.** GE Healthcare will complete an inventory of Products and provide an updated Product schedule ("Product Schedule"). Products must be in safe, normal operating condition and comply with original equipment manufacturer ("OEM") specifications in order to be added to the Product Schedule, and GE Healthcare is not liable or responsible for any preexisting defect, malfunction or necessary repairs.
- 4. Product Removal.** Product sold (excluding an assignment of this Agreement) or scrapped by Customer may be removed from this Agreement with 60 days' prior written notice to GE Healthcare, and fees will be adjusted on the later of the end of the notice period or the date the Product is sold or scrapped. Customer has no right to remove a Product at its convenience.
- 5. Warranty.** GE Healthcare warrants that its Service will be performed by trained individuals in a professional, workman-like manner. GE Healthcare will re-perform non-conforming Service as long as Customer provides prompt written notice to GE Healthcare. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WILL APPLY.
- 6. Loaner Units.** GE Healthcare may provide a loaner unit during extended periods of Service. If a loaner unit is provided: (i) it is for Customer's temporary use at the location identified in the Quotation; (ii) it will be returned to GE Healthcare within 5 days after the Product is returned to Customer, and if it is not, GE Healthcare may repossess it or invoice Customer for its full list price; (iii) it, and all programs and information pertaining to it, remain GE Healthcare property; (iv) risk of loss is with Customer during its possession; (v) Customer will maintain and return it in proper condition, normal wear and tear excepted, in accordance with GE Healthcare's instructions; (vi) it will not be repaired except by GE Healthcare; (vii) GE Healthcare will be given reasonable access to it; (viii) Customer is not paying for its use, and Customer will ensure charges or claims submitted to a government healthcare program or patient are submitted accordingly; and (ix) prior to returning it to GE Healthcare, Customer will delete all information, including PHI, from it and its accessories, in compliance with industry standards and instructions provided by GE Healthcare.
- 7. License Registration.** Online registration as a licensee may be required for receipt of Software and Documentation.
- 8. Customer Responsibilities.** Customer must: (i) maintain power quality, grounding, temperature, humidity and repairs due to power anomalies, all as necessary for Products to operate within OEM specifications; (ii) ensure labeling complies with regulations; (iii) provide Third Party Product warranty and operating and maintenance manuals, maintenance and service requirements (e.g., software, tools, phantoms), or pay GE Healthcare for acquiring these materials; (iv) repair accessories unless the item is identified on the Product Schedule; (v) replace accessories, supplies and consumables; (vi) dispose of accessories, supplies and consumables unless GE Healthcare is legally required to take the item back; (vii) update Third Party Product; (viii) maintain licenses, permits and other approvals required to receive or use radioactive sources and provide the sources needed for calibration and performance checks; (ix) provide access to Products during Service coverage hours; and (x) if required by GE Healthcare, sign an agency authorization letter to provide Services. Service for Products not maintained to OEM specifications may result in additional charges. Customer cannot stockpile replacement parts.
- 9. End of Support.** If GE Healthcare determines that: (i) a Product or component thereof has been declared end of life/support by the OEM; (ii) its ability to Service or maintain a Product or component thereof is hindered due to the unavailability of parts or trained personnel; or (iii) it can no longer Service or maintain the Product in a safe or effective manner, then GE Healthcare may, upon notice: (a) remove the item from this Agreement and adjust fees without otherwise affecting this Agreement, or (b) move the item to "end of service life" coverage.
- 10. Return for Repair.** Prior to shipping Product to GE Healthcare for repair, Customer will back up and remove data stored on the Product. Customer is responsible for damage during shipment to GE Healthcare. GE Healthcare may remove data stored on the Product prior to sending it back to Customer and will provide standard shipping.
- 11. Exclusions.** Unless identified on the Product Schedule, this Agreement does not cover: (i) tubes, detectors, probes, chillers, crystals, batteries, accessories, consumables, user-replaceable items, supplies, cosmetic upgrades or parts used to correct/enhance Product appearance; (ii) a defect, deficiency or repairs due to improper storage or handling, failure to maintain Product according to OEM instructions/specifications, inadequate backup or virus protection, cyber-attacks, or any cause external to the Product or beyond GE Healthcare's control; (iii) payment/reimbursement of

facility costs arising from repair/replacement of Product; (iv) adjustment, alignment, calibration, or planned maintenance; (v) Third Party Product that was not commercially available from the OEM on the date the item was installed; (vi) OEM warranty service or recalls; (vii) Product upgrades, certification surveys and relocations; (viii) consultation, training or assistance with use, development, or modification of items/materials (e.g., software and protocols); (ix) installation and reusing existing facilities for testing, training and other purposes; (x) MR-related defect from failure of a Customer water chiller system or service to water chiller system; (xi) Healthcare Digital Products; and (xii) non-GE Healthcare network/antenna installations/troubleshooting.

**12. Existing Service Arrangements.** This Agreement does not apply to Products covered by arrangements/warranties from other vendors until the end or termination of those arrangements/warranties. If Products covered by another arrangement/warranty are added to this Agreement, they will be added on the day following the end or termination of the other arrangement/warranty.

**13. Hourly Billed Services.** Services not covered by this Agreement are hourly-billed services and may have a 2-hour minimum charge.

**14. Inflation.** After the 1st year of this Agreement, but no more than annually and with 60 days' prior notice, GE Healthcare may increase fees by an amount no more than the prior 12-month increase in the U.S. Bureau of Labor Statistics ("BLS") Employment Cost Index for "Installation, Maintenance and Repair (not seasonally adjusted, total compensation)" or any replacement index as determined by BLS, capped at 5% annually.

**15. Payment and Taxes.**

**15.1. Late Payment.** Customer must raise payment disputes before the payment due date. For any undisputed late payment, GE Healthcare may: (i) suspend performance under this Agreement until all past due amounts are paid; (ii) charge interest at a rate no more than the maximum rate permitted by applicable law; and (iii) use unapplied funds due to Customer to offset any of Customer's outstanding balance. If GE Healthcare suspends performance, any downtime will not be included in the calculation of any uptime commitment. If Customer fails to pay when due: (a) GE Healthcare may revoke its credit and designate Customer to be on credit hold; and (b) all subsequent shipments and Services must be paid in full on receipt.

**15.2. Taxes.** Prices do not include applicable taxes, which are Customer's responsibility.

**16. Product Specific Service Terms.**

**16.1. Tube Support (Excluding C-Arms).** If tube support/coverage is identified on the Product Schedule, GE Healthcare will provide tubes, on an exchange basis, to replace failed tubes. Customer will: (i) maintain a Product maintenance and repair program, including tube warm up, in accordance with GE Healthcare planned maintenance and repair requirements; (ii) repair the Product with repair parts that meet OEM specifications; and (iii) protect Product configuration against alteration except as authorized by GE Healthcare. Product must have an operational tube on the Agreement Start Date (as defined in the Quotation). No credit will be provided to Customer for the tube.

**16.2. Magnetic Resonance ("MR").**

**16.2.1. Magnet Maintenance.**

**16.2.1.1.** If magnet maintenance for MR systems with Lhe/Ln and shield cooler-configured magnets and condenser-configured magnets (K4 technology) is identified on the Product Schedule, GE Healthcare will: (i) adjust, repair, or replace covered components (i.e., MR magnet, cryostat, coldhead, cryo-cooler compressor, shim coils); (ii) monitor cryogen levels within the magnet cryostat, based on Customer cryostat meter readings; and (iii) perform magnetic field homogeneity adjustments to the extent required by magnet ramping or covered component adjustment, repair or replacement. Customer will ensure that the Product's cryo-cooler system and water chiller system used with the cryo-cooler system (including in vans or trailers in transit) are operational at all times and maintained, and immediately notify GE Healthcare if it is not.

**16.2.1.2.** If magnet maintenance for MR systems with permanent magnets is identified on the Product Schedule, GE Healthcare will perform magnetic field homogeneity adjustments to the extent required by a covered component adjustment, repair or replacement.

**16.2.2. Remote Magnet Monitoring for non-GE Healthcare Systems.** If remote magnet monitoring for non-GE Healthcare systems is identified on the Product Schedule, GE Healthcare will: (i) remotely monitor operating parameters of the MR magnet refrigeration system; (ii) oversee installation of remote monitoring hardware; and (iii) maintain the hardware. Customer will provide power, access and remote connectivity as needed for remote magnet monitoring.

**16.2.3. Cryogen Coverage.** If cryogen coverage for MR systems is identified on the Product Schedule, GE Healthcare will: (i) refill the cryostat with cryogens as necessary; (ii) schedule the delivery of cryogens; and (iii) transfer cryogens to the Product's cryostat. Cryogen transfill service will occur between 9pm-6am local time. GE Healthcare is not liable for cryogen loss or transfer efficiency during transfer to the cryostat. Customer will: (a) inform GE Healthcare of its authorized cryogen representative who will provide GE Healthcare accurate cryostat meter readings and receive notifications relative to cryogen quantity and delivery schedules (for Lhe/Ln and shield cooler configured magnets only); and (b) provide a delivery dock and storage facility.

**16.2.4. Cryogen Cost Increases.** If GE Healthcare's cryogen cost increases by more than 15%, as measured against its cost as of the Agreement Start Date (as defined in the Quotation) or its cost on the date of the most recent adjustment, GE Healthcare may increase Service fees in an amount equal to such cost increase.

**16.3. Cyclotron.** GE Healthcare will work in accordance with its health and safety rules and applicable radiation and radioactive materials safety laws and regulations, whichever is more stringent, including assessment and management of radiation dose in accordance with the As Low As Reasonably Achievable ("ALARA") standard. Customer will follow all ALARA guidelines to maintain and control the radiation exposures as far below the dose limits as possible. Customer will: (i) if requested by GE Healthcare, remove targets prior to Service; (ii) place targets in an appropriately shielded area/container during Service; (iii) replace targets following Service; (iv) provide at least 24 hours of Product downtime prior to planned maintenance; (v) provide GE Healthcare with Customer's emergency and site-specific safety procedures; (vi) ensure that a Customer representative

is available in the work area during Service; (vii) confirm that GE Healthcare personnel and their tools and accessories are free from contamination prior to leaving Customer's facility; and (viii) store and dispose of waste generated by Service in compliance with applicable laws and regulations. GE Healthcare reserves the right not to enter areas with dose rates in excess of 2 mSv/hour. Other radiation exposure limits may apply to Service, including daily or personal cumulative dose limits, and local requirements, which could prevent Service of the cyclotron until radiation levels are reduced.

## 17. General Terms.

17.1. Confidentiality. Each party will treat this Agreement and the other party's proprietary information as confidential, meaning it will not use or disclose the information to third parties unless permitted in this Agreement or required by law. Customers are not prohibited from discussing patient safety issues in appropriate venues.

17.2. Governing Law. The law of the state where the Product is installed, or the Service is provided will govern this Agreement.

17.3. Force Majeure. Performance time for non-monetary obligations will be reasonably extended for delays beyond a party's control.

17.4. Assignment; Use of Subcontractors. Rights and obligations under this Agreement cannot be assigned without the other party's prior written consent, unless: (i) it is to an entity (except to a GE Healthcare competitor) that (a) is an affiliate or parent of the party or (b) acquires substantially all of the stock or assets of such party's applicable business, Product line or Service thereof; and (ii) the assignee agrees in writing to be bound by this Agreement, including payment of outstanding fees. GE Healthcare may hire subcontractors to perform work under this Agreement but will remain responsible for its obligations.

17.5. Waiver; Survival. If any provision of this Agreement is not enforced, it is not a waiver of that provision or of a party's right to later enforce it. Terms in this Agreement related to intellectual property, compliance, data rights and terms that by their nature are intended to survive will survive the Agreement's end.

17.6. Intellectual Property. GE Healthcare owns all rights to the intellectual property in GE Healthcare's Products, Services, Documentation and statements of work related to a Quotation ("SOW") or otherwise. Customer may provide GE Healthcare with feedback related to Products, Services and related Documentation, and GE Healthcare may use it in an unrestricted manner.

## 18. Compliance.

18.1. Generally. Each party will comply with applicable laws and regulations. Customer is only purchasing or licensing Products for its own medical, billing and/or non-entertainment use in the United States. GE Healthcare will not deliver, install, service or train if it discovers Products have been or are intended to be used contrary to this Agreement. This Agreement is subject to GE Healthcare's ongoing credit review and approval. Customer is aware of its legal obligations for cost reporting, including 42 C.F.R. § 1001.952(g) and (h), and will request from GE Healthcare any information beyond the invoice needed to fulfill Customer's cost reporting obligations. GE Healthcare will provide safety-related Equipment and Software updates required by applicable laws and regulations at no additional charge.

18.2. Security. GE Healthcare is not responsible for: (i) securing Customer's network; (ii) preventing unauthorized access to Customer's network or the Product; (iii) backup management; (iv) data integrity; (v) recovery of lost, corrupted or damaged data, images, software or equipment; or (vi) providing or validating antivirus or related IT safeguards unless sold to Customer by GE Healthcare. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR DAMAGES CAUSED BY UNAUTHORIZED ACCESS TO THE NETWORK OR PRODUCT IN SPITE OF A PARTY'S COMPLIANT SECURITY MEASURES.

18.3. Environmental Health and Safety ("EHS"). GE Healthcare personnel may stop work without penalty due to safety concerns. Customer must: (i) comply with GE Healthcare's EHS requirements; (ii) provide a safe environment for GE Healthcare personnel; (iii) tell GE Healthcare about chemicals or hazardous materials that might come in contact with Products or GE Healthcare personnel; (iv) perform decommissioning or disposal at Customer facilities; (v) obtain and maintain necessary permits; (vi) thoroughly clean Products before Service; (vii) provide radioactive materials required for testing Products; and (viii) dispose of waste related to Products and installations.

18.4. Parts and Tubes. GE Healthcare: (i) recommends the use of parts it has validated for use with the Product; (ii) is not responsible for the quality of parts supplied by third parties to Customer; and (iii) cannot assure Product functionality or performance when non-validated parts are used. Certain Products are designed to recognize GE Healthcare-supplied tubes and report the presence of a non-GE Healthcare tube; GE Healthcare is not responsible for the use of, or effects from, non-GE Healthcare supplied tubes.

18.5. Training. GE Healthcare's training does not guarantee that: (i) Customer trainees are fully trained on Product use, maintenance or operation or (ii) training will satisfy any licensure or accreditation. Customer must ensure its trainees are fully qualified in the use and operation of the Product. Unless otherwise identified in the training catalog, Customer will complete training within 12 months after: (a) if with a Product purchase, the date of Product delivery; (b) if with a Services purchase, the respective start date for Services; or (c) if with a training-only purchase, the date training is ordered. If not done within this time period, other than because of GE Healthcare's fault, training expires without refund.

18.6. Medical Diagnosis and Treatment. All clinical and medical treatment, diagnostic and/or billing decisions are Customer's responsibility.

18.7. Connectivity. If a Product has remote access capability: (i) Customer will provide GE Healthcare with, and maintain, a GE Healthcare-validated remote access connection to service the Product; or (ii) GE Healthcare reserves the right to charge Customer for onsite support at GE Healthcare's then-current billing rate. This remote access and collection of machine data (e.g., temperature, helium level) will continue after the end of this Agreement unless Customer requests in writing that GE Healthcare disable it.

18.8. Use of Data.

18.8.1. Protected Health Information. If GE Healthcare creates, receives, maintains, transmits or otherwise has access to Protected Health Information (as defined in 45 C.F.R. § 160.103) ("PHI"), GE Healthcare may use and disclose the PHI only as permitted by law and by the Business Associate Agreement. Before returning any Product to GE Healthcare, Customer must ensure that all PHI stored in it is deleted.

18.8.2. Data Rights. GE Healthcare may collect, prepare derivatives from and otherwise use non-PHI data related to Products and/or Services for such things as training, demonstration, research, development, benchmarking, continuous improvement and facilitating the provision of its products, software and services. GE Healthcare will own all the property rights resulting from such collection, preparation and use. The non-PHI data will not be used to identify Customer or sold by GE Healthcare without Customer's consent.

18.9. Customer Policies. GE Healthcare will use reasonable efforts to respect Customer-provided policies that apply to GE Healthcare and do not materially contradict GE Healthcare policies. Failure to respect Customer policies is not a material breach unless it is willful and adversely affects GE Healthcare's ability to perform its obligations.

18.10. Insurance. GE Healthcare will maintain coverage in accordance with its standard certificate of insurance.

18.11. Excluded Provider. To its knowledge, neither GE Healthcare nor its employees performing Services under this Agreement have been excluded from participation in a Federal Healthcare Program. If an employee performing Services under this Agreement is excluded, GE Healthcare will replace that employee within a reasonable time; if GE Healthcare is excluded, Customer may terminate this Agreement upon written notice to GE Healthcare.

19. **Disputes, Liability and Indemnity.**

19.1. Dispute Resolution. The parties will first attempt to resolve in good faith any disputes related to this Agreement. Violation of GE Healthcare's license, confidentiality or intellectual property rights will cause irreparable harm for which the award of money damages alone is inadequate. GE Healthcare may: (i) seek injunctive relief and any other available remedies; (ii) immediately terminate the license grant and require Customer to cease use of and return the Software and Third-Party Software; and/or (iii) terminate Customer access to remote hosted Software. Other than these violations or collection matters, unresolved disputes will be submitted to mediation prior to initiation of other means of dispute resolution.

19.2. Limitation of Liability. GE HEALTHCARE'S LIABILITY FOR DIRECT DAMAGES TO CUSTOMER UNDER THIS AGREEMENT WILL NOT EXCEED: (I) FOR PRODUCTS, THE PRICE FOR THE PRODUCT THAT IS THE BASIS FOR THE CLAIM; OR (II) FOR SERVICE OR SUBSCRIPTIONS, THE AMOUNT OF SERVICE OR SUBSCRIPTION FEES FOR THE 12 MONTHS PRECEDING THE ACTION THAT IS THE BASIS FOR THE CLAIM. THIS LIMITATION WILL NOT APPLY TO GE HEALTHCARE'S DUTIES TO INDEMNIFY CUSTOMER UNDER THIS AGREEMENT.

19.3. Exclusion of Damages. NEITHER PARTY WILL HAVE ANY OBLIGATION FOR: (I) CONSEQUENTIAL, PUNITIVE, INCIDENTAL, INDIRECT OR REPUTATIONAL DAMAGES; (II) PROFIT, DATA OR REVENUE LOSS; OR (III) CAPITAL, REPLACEMENT OR INCREASED OPERATING COSTS.

19.4. IP Indemnification. GE Healthcare will indemnify and hold Customer harmless from third-party claims for infringement of United States intellectual property rights caused solely by Customer's use of the Equipment or Software in accordance with the Specifications, Documentation and license. GE Healthcare will control the defense. Customer may retain counsel but at Customer's expense.

19.5. General Indemnification. GE Healthcare will indemnify and defend Customer against and pay for Customer losses arising from third party claims brought against Customer for bodily injury or damage to real or tangible personal property to the extent the damage was caused by GE Healthcare's: (i) design or manufacturing defect; (ii) negligent failure to warn, negligent installation or negligent Services; or (iii) material breach of this Agreement.

Customer will indemnify and defend GE Healthcare against and pay for GE Healthcare losses arising from third party claims brought against GE Healthcare for bodily injury or damage to real or tangible personal property to the extent the damage was caused by Customer's: (a) medical diagnosis or treatment decisions; (b) misuse or negligent use of the Product; (c) modification of the Product; or (d) material breach of this Agreement.

For all indemnities under this Agreement: (i) the indemnified party must give the other party written notice before claiming indemnification and may retain counsel at its own expense; and (ii) the indemnifying party is not responsible for any settlement without its written consent.

20. **Notices.** Notices will be in writing and considered delivered when received if sent by certified mail, postage prepaid, return receipt requested, by overnight mail, or by fax. Notice to Customer will be directed to the address on this Agreement, and notice to GE Healthcare to General Counsel, 9900 Innovation Dr., Wauwatosa, WI 53226.





## Statement of Service Deliverables DeluxeCare

- Optional Equipment and Accessories.** This Agreement excludes loaners, optional equipment and accessories and consumables (e.g., printers, MDR boxes, laser aimers and wireless hand/foot switches).
- Uptime Guarantee.** GE Healthcare guarantees at least 95% uptime performance for the Equipment. Should the Equipment fail to meet the 95% uptime performance guarantee in any 12-month period due to GE Healthcare’s design, manufacturing, or service defects, GE Healthcare will provide an extension of the term of this Agreement with respect to that Equipment at no additional charge as according to the table below. Uptime is calculated at Customer’s request.

Uptime Percentage	Extension
95-100	0
94	2 weeks
90-93	4 weeks
<90	6 weeks

Equipment will be considered inoperable and out of Service under the uptime performance guarantee if, due to GE Healthcare’s design, manufacturing, material or service defects, the Equipment is unavailable for diagnosing images on the Equipment display console or operator’s console. Peripheral equipment such as remote console, hard copy devices, multi-format or laser cameras are excluded from the terms of the uptime performance guarantee. Repair and adjustment required for anything other than Equipment failure, and damage or inoperability due to any cause other than GE Healthcare’s design, manufacturing, material or service defects will be excluded from the uptime performance guarantee calculation, including, but not limited to damage through misuse, operator error, inadequate environmental or air conditioning protection or failure, power failure, and acts of God. Planned maintenance time will not be included in the calculation of downtime. If GE Healthcare’s responding service representative agrees that the Equipment is inoperable due to GE Healthcare’s design, manufacturing, material or service defects, the Equipment will be considered out of Service from the time the request for Service was received at the designated facility until the Equipment is once again turned over to Customer for operation. Should Customer fail to give GE Healthcare immediate and unencumbered access to the Equipment or continue to use the Equipment after notifying GE Healthcare of any Equipment failure, the Equipment will be considered in Service.



## GE Healthcare

This Addendum to Quotation ("Addendum") is entered into as of the date signed by Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center, with an address at 1700 Mount Vernon Avenue, Bakersfield, CA 93306 ("Customer") and OEC Medical Systems, Inc., a GE Healthcare business, with an address at 384 Wright Brothers Drive, Salt Lake City, UT 84116 ("GE Healthcare").

WHEREAS, GE Healthcare has provided Customer with that certain Quotation for System Serial Number E2XXXX06580 dated April 29, 2020 (the "Quotation", attached hereto as Exhibit A) concerning GE Healthcare's desire to sell to Customer, and Customer's agreement to purchase from GE Healthcare, certain GE Healthcare products and/or services listed on such Quotation in accordance with the terms and conditions set forth on the Quotation (the "Agreement"); and

WHEREAS, the parties now desire to amend and/or supplement the Agreement in accordance with the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the representations and mutual undertakings hereinafter set forth, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the foregoing and as follows:

1. Section 15.1 ("Late Payment") of the GE Healthcare Service Terms and Conditions ("GE Healthcare Service Terms and Conditions") is amended by modifying such Section to state as follows:

Customer must raise payment disputes before the payment due date. For any undisputed late payment, GE Healthcare may: (i) suspend performance under this Agreement until all past due amounts are paid; and (ii) use unapplied funds due to Customer to offset any of Customer's outstanding balance. If GE Healthcare suspends performance, any downtime will not be included in the calculation of any uptime commitment. If Customer fails to pay when due: (a) GE Healthcare may revoke its credit and designate Customer to be on credit hold; and (b) all subsequent shipments and Services must be paid in full on receipt."

2. Section 17.1 ("Confidentiality") of the GE Healthcare Service Terms and Conditions is amended by adding the following language:

"Notwithstanding, GE Healthcare is aware that Customer is a government entity and is subject to the California Public Records Act, Cal.Govt.Code §6250 et. seq., the Brown Act, Cal.Govt.Code §54950 et. seq., and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation."

3. Section 19.5 ("General Indemnification") of the GE Healthcare Service Terms and Conditions is amended by modifying such Section to state as follows:

"GE Healthcare will indemnify, defend, and hold Customer harmless for third party damages that Customer becomes legally obligated to pay related to bodily injury or damage to real or tangible personal property to the extent the damages are caused by a manufacturing or design defect, negligent failure to warn, negligent installation, or negligent Service with respect to Products manufactured by GE Healthcare and supplied under this Agreement. GE Healthcare has no obligation to indemnify, defend, and hold Customer harmless for damages caused by: (i) Customer's fault or legal expenses incurred by Customer in defending itself

against suits seeking damages caused by Customer's fault or (ii) any Product modification not authorized in writing by GE Healthcare. Customer will indemnify, defend, and hold GE Healthcare harmless from third party damages that GE Healthcare becomes legally obligated to pay related to bodily injury or damage to real or tangible personal property to the extent the damages are caused by Customer's: (a) medical diagnosis or treatment decisions; (b) misuse or negligent use of the Product; and/or (c) use of the Product in a manner or environment, or for any purpose, for which GE Healthcare did not design it, or in violation of GE Healthcare's recommendations or instructions. The above obligations are conditional on the indemnified party providing the indemnifying party prompt written notice of the claim after receiving notice of it, allowing the indemnifying party the option to control defense and disposition of the claim, and reasonably cooperating with the indemnifying party in the defense. The indemnifying party will not be responsible for any compromise made without its consent."

4. The GE Healthcare Service Terms and Conditions are further amended by adding the following new sections:

**"Non-Appropriation of Funds.** Notwithstanding the foregoing, Customer reserves the right to terminate this Agreement in the event insufficient funds are appropriated or budgeted for this Agreement in any fiscal year. In accordance with Article XVI, Section 18 of the California Constitution, this Agreement creates no immediate indebtedness for the aggregate monthly payments for the entire initial Term, but rather confines the liability of Customer to each fiscal year of twelve (12) monthly payments for which it receives budget funding. Upon such termination, Customer will be released from any further financial obligation to GE Healthcare, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. GE will be given thirty (30) days' prior written notice in the event that Customer requires such an action."

**"Open Records Laws.** All References to "GE Healthcare Proprietary and Confidential" stated in the Quotation shall be deleted in their entirety. Notwithstanding, neither Customer nor GE Healthcare shall disclose the Quotation, pricing, or the terms and conditions of this Agreement, to any third party, except as required by law, including without limitation the California Public Records Act (Gov. Code 6252 et seq.) and only to the extent required to comply with such legal obligation."

**"Liability of Customer.** The liabilities or obligations of Customer with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Customer and shall not become the liabilities or obligations of the County of Kern or any other entity, including the state of California. California Health and Safety Code Section 101853(g)."

7. Entire Agreement. In the event of any conflict between the terms and conditions of this Addendum on the one hand, and the Agreement on the other hand, the terms and conditions of this Addendum shall govern and control. Except as otherwise expressly provided in this Addendum, the parties agree that all provisions of the Agreement are hereby ratified and agreed to be in full force and effect and are incorporated herein by reference. This Addendum and the Agreement contain the entire agreement among the parties relating to the subject matter herein and all prior proposals, discussions and writings by and among the parties and relating to the subject matter herein are superseded hereby and thereby.

IN WITNESS WHEREOF, Customer and GE Healthcare have caused this Addendum to be executed by their duly authorized representatives as of the day and year first above written.

**Kern County Hospital Authority**

Signature: \_\_\_\_\_

Print Name: Russell Bigler

Title: Chairman, Board of Governors

Date: \_\_\_\_\_

PO #: \_\_\_\_\_

(Customer Use Only)

**OEC Medical Systems, Inc., a GE Healthcare business**

Signature: 

Print Name: Michael Larsen

Title: Healthcare Service Account Manager

Date: August 13, 2020

**REVIEWED ONLY  
NOT APPROVED AS TO FORM**

By   
**Legal Services Department**

Addendum to Quotation / 154562  
Kern Medical Center / GE Healthcare



## Exhibit A

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Quotation for System Serial Number E2XXX06580 dated April 29, 2020  
Please see attached.

## HIPAA BUSINESS ASSOCIATE ADDENDUM

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Kern County Hospital Authority

and

GE Healthcare

---

This Business Associate Addendum ("Addendum"), effective on the last signature date below, is entered into by and between GE Healthcare through its affiliates including but not limited to GE Precision Healthcare LLC, GE Medical Systems, Ultrasound & Primary Care Diagnostics, LLC, GE Medical Systems Information Technologies, Inc., Datex-Ohmeda, Inc., OEC Medical Systems, Inc., GE Healthcare HTS USA Corp., GE Healthcare Inc., Medi-Physics Inc. and GE Healthcare Bio-Sciences Corp., (collectively, "GE Healthcare" or "Business Associate"), and Kern County Hospital Authority with an address at 1700 Mount Vernon Avenue, Bakersfield, California 93306, United States on behalf of itself and its subsidiaries listed on Schedule A attached hereto ("Covered Entity") (each a "Party" and collectively the "Parties").

### 1. BACKGROUND AND PURPOSE.

The Parties have entered into, and may in the future enter into, one or more agreements, that require GE Healthcare to perform a service, function or activity involving the Use or Disclosure of PHI (as defined in Section 2.3) (the "Underlying Contract(s)"), that is subject to the administrative simplification section of the Health Insurance Portability and Accountability Act of 1996, Pub. Law 104-191 (Aug. 21, 1996), its implementing regulations, and the Health Information Technology for Economic and Clinical Health Act ("HITECH") and its implementing regulations (collectively, "HIPAA"). This Addendum shall supplement and/or amend each of the Underlying Contract(s) only with respect to GE Healthcare's receipt, Use, Disclosure, and creation of PHI under the Underlying Contract(s) to allow both parties to comply with HIPAA.

### 2. DEFINITIONS.

2.1 Capitalized terms used but not otherwise defined in this Addendum shall have the same meaning as the meaning ascribed to those terms in HIPAA in effect or as amended.

2.2 "EPHI" means PHI (as defined in Section 2.3) transmitted by or maintained in Electronic Media.

2.3 "PHI" shall have the same meaning as the term "Protected Health Information" in 45 C.F.R. 160.103, limited to the information created or received by GE Healthcare from or on behalf of the Covered Entity, including, but not limited to EPHI.

### 3. OBLIGATIONS OF BUSINESS ASSOCIATE.

To assure that the Covered Entity and GE Healthcare may achieve and maintain compliance with the requirements of HIPAA, GE Healthcare agrees to:

3.1 Not Use or Disclose PHI other than as permitted or required by this Addendum, the Underlying Contract(s) or as Required By Law, and not Use or Disclose PHI in any manner that would violate the requirements of Subpart E of 45 C.F.R. Part 164, if done by the Covered Entity; provided GE Healthcare may:

(a) Subject to the terms of this Addendum, Use and Disclose PHI as permitted or required under the Underlying Contract(s) and perform its obligations as set forth in the Underlying Contract(s);

(b) Use PHI for the proper management and administration of GE Healthcare or to carry out its legal responsibilities;

(c) Disclose PHI for the proper management and administration of GE Healthcare or to carry out its legal responsibilities, if such Disclosure is Required By Law, or if GE Healthcare obtains reasonable assurances from the person to whom the information is disclosed that the person will keep the PHI confidential, Use or further Disclose the PHI only as Required By Law or for the purposes for which it was Disclosed to the person, and notify GE Healthcare of any instances of which the person is aware in which the confidentiality of the PHI has been breached; If a sub-contractor is used, a BAA with sub-contractor is required.

(d) Use PHI to provide data aggregation services relating to the health care operations of Covered Entity; and

(e) Use PHI to create de-identified information consistent with the standards set forth at 45 C.F.R. S 164.514.

3.2 Make Uses and Disclosures of, and requests for, the minimum necessary PHI to perform its obligations under the Underlying Contract(s);

3.3 Use appropriate safeguards and comply, where applicable, with Subpart C of 45 C.F.R. Part 164 with respect to EPHI, to prevent Use or Disclosure of PHI, except as provided for by this Addendum;

3.4 Use reasonable and appropriate administrative, physical and technical safeguards to protect the Confidentiality, Integrity and Availability of EPHI that it receives, maintains, creates, or transmits to or on behalf of the Covered Entity;

3.5 If GE Healthcare becomes aware of a Use or Disclosure of PHI not provided for by this Addendum, including Breaches of Unsecured PHI, report any such Use or Disclosure to the Covered Entity in accordance with this Addendum;

3.6 With the exception of law enforcement delays that satisfy the requirements under 45 C.F.R. S 164.412 or as otherwise required by applicable State law, following the determination of a Breach of Unsecured PHI, notify the Covered Entity of such Breach in accordance with 45 C.F.R. S 164.410, and exercise commercially reasonable efforts to provide such notice to Covered Entity without unreasonable delay and in no case later than five (5) days after discovery of the Breach;

3.7 Report to the Covered Entity any Security Incident of which it becomes aware, orally or in writing, without unreasonable delay;

3.8 Require all of its subcontractors and agents that create, receive, maintain, or transmit PHI on behalf of GE Healthcare to adhere to the same restrictions and conditions with respect to such PHI that apply to GE Healthcare pursuant to this Addendum;

3.9 Make its internal practices, books, and records relating to the Use and Disclosure of PHI received from, or created or received by GE Healthcare on behalf of the Covered Entity available to the Secretary, in a time and manner designated by the Secretary, for purposes of the Secretary determining the Covered Entity's compliance with Subpart E of 45 C.F.R. Part 164;

3.10 Make available to the Covered Entity the PHI in GE Healthcare's possession that is required for the Covered Entity to provide an accounting of Disclosures to an Individual under 45 C.F.R. 164.528, within a reasonable amount of time of receipt of a written request from the Covered Entity;

3.11 If, and to the extent that GE Healthcare maintains a Designated Record Set of Covered Entity, within fifteen (15) business days of receipt of a written request by the Covered Entity for access to PHI about an Individual contained in the Designated Record Set, make available to the Covered Entity such PHI. If GE Healthcare receives a request for access to PHI directly from an Individual, GE Healthcare shall direct the Individual to contact the Covered Entity directly;

3.12 If, and to the extent that GE Healthcare maintains a Designated Record Set of Covered Entity, within fifteen (15) business days of receipt of a written request from the Covered Entity for the amendment of an Individual's PHI contained in the Designated Record Set, provide the Covered Entity such information to the Covered Entity for amendment and incorporate any such amendments in the PHI (for so long as GE Healthcare maintains such information in the Designated Record Set) as required by 45 C.F.R. 164.526. If GE Healthcare receives a request for amendment to PHI directly from an Individual, GE Healthcare shall direct the Individual to contact the Covered Entity directly; and

3.13 To the extent GE Healthcare is engaged by the Covered Entity to carry out one or of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, GE Healthcare agrees to comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s).

#### 4. OBLIGATIONS OF COVERED ENTITY.

4.1 Covered Entity agrees to timely notify GE Healthcare, in writing, of any arrangements, or changes in arrangements, between the Covered Entity and the Individual that is the subject of PHI that may impact in any manner the Use and/or Disclosure of that PHI by GE Healthcare under this Addendum.

4.2 Covered Entity shall notify GE Healthcare, in writing, of any limitation(s) in its notice of privacy practices in accordance with 45 C.F.R. S 164.520, to the extent that such limitation(s) may affect GE Healthcare's Use or Disclosure of PHI.

4.3 Covered Entity shall not request GE Healthcare to use or disclose PHI in any manner that would not be permissible under HIPAA if done directly by Covered Entity.

4.4 Covered Entity represents that, to the extent Covered Entity provides PHI to GE Healthcare, such PHI is the minimum necessary PHI for GE Healthcare to perform its obligations under the Underlying Contract(s).

4.5 Covered Entity represents that, to the extent Covered Entity provides PHI to GE Healthcare, Covered Entity has obtained the consents, authorizations and/or other forms of legal permission required under HIPAA and other applicable law.

#### 5. TERMINATION.

5.1 Should either Party become aware of a pattern of activity or practice of the other Party that constitutes a material breach of this Addendum, the non-breaching Party shall provide the breaching Party

with written notice of such breach in sufficient detail to enable the breaching Party to understand the specific nature of the breach. The non-breaching Party shall be entitled to terminate the Addendum and the Underlying Contract(s) associated with such breach if, after the non-breaching Party provides the notice to the breaching Party, the breaching Party fails to cure the breach within a reasonable time period of not less than thirty (30) days specified by the non-breaching Party in such notice; provided, however, that such time period specified by the non-breaching Party shall be based on the nature of the breach involved.

5.2 Upon termination of the Underlying Contract(s), GE Healthcare shall return to the Covered Entity or destroy, if feasible, any and all PHI received from the Covered Entity or created or received by GE Healthcare on behalf of the Covered Entity pursuant to that Underlying Contract(s) and shall not retain any copies of such PHI. If GE Healthcare reasonably determines that return or destruction of such PHI is not feasible, GE Healthcare shall so notify the Covered Entity and extend the protections of this Addendum to such PHI and limit further Uses and Disclosures to those purposes that make the return or destruction of the PHI infeasible.

5.3 The obligations of GE Healthcare under Section 5 shall survive the termination of this Addendum.

## 6. MISCELLANEOUS.

6.1 Interpretation. In the event of a conflict between this Addendum and an Underlying Contract, this Addendum shall prevail to the extent necessary to allow the Covered Entity and GE Healthcare to comply with HIPAA. Except as supplemented and/or amended by this Addendum, the terms of an Underlying Contract shall continue unchanged and shall apply with full force and effect to govern the matters addressed in the Underlying Contract.

6.2 No Third-Party Beneficiaries. Nothing in this Addendum shall confer upon any person other than the Parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

6.3 Amendment. The Parties mutually agree to enter into good faith negotiations to amend this Addendum from time to time in order for the Covered Entity or GE Healthcare to comply with the requirements of HIPAA, as they may be amended from time to time, and any implementing regulations thereto that may be promulgated or revised from time to time.

6.4 Independent Contractors. None of the provisions of this Addendum are intended to create, nor will be deemed to create, any relationship between the Parties other than that of independent contracting parties with each other solely for the purposes of affecting the provisions of this Addendum and any other agreements between the Parties evidencing their business relationship.

6.5 Data Breach Notification and Mitigation Under Other Laws. In addition to the requirements of Sections 2.3.1 and 2.3.2, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach of individually identifiable information (including but not limited to PHI, and referred to hereinafter as "Individually Identifiable Information") that, if misused, disclosed, lost or stolen, Covered Entity believes would trigger an obligation under applicable state security breach notification laws ("State Breach") to notify the individuals who are the subject of the information. Business Associate agrees to: (i) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach; (ii) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach conducted by a state agency or Attorney General; (iii) comply with Covered Entity's determinations regarding Covered Entity's and Business Associate's obligations to mitigate to the extent practicable any potential harm to the individuals impacted by the State Breach; and (iv) assist with the implementation of any decision by Covered Entity or any State agency to notify individuals impacted or potentially impacted by a State Breach.

6.6 Equitable Relief. Business Associate understands and acknowledges that any Disclosure or misappropriation of any PHI in violation of this BAA will cause Covered Entity irreparable harm, the amount of which may be difficult to ascertain, and therefore agrees that Covered Entity shall have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any such further Disclosure or Breach and for such other relief as Covered Entity shall deem appropriate. Such right of Covered Entity is to be in addition to the remedies otherwise available to Covered Entity at law or in equity. Business Associate expressly waives the defense that a remedy in damages will be adequate and further waives any requirement in an action for specific performance or injunction for the posting of a bond by Covered Entity.

6.7 Insurance. In addition to any general and/or professional liability insurance required of Business Associate, Business Associate agrees to obtain and maintain, at its sole expense, liability insurance on an occurrence basis, covering any and all claims, liabilities, demands, damages, losses, costs and expenses arising from a breach of the security or privacy obligations of Business Associate, its officers, employees, agents and SubContractors under this BAA. Such insurance coverage will be maintained for the term of this BAA, and a copy of such policy or a certificate evidencing the policy shall be provided to Covered Entity at Covered Entity's request.

6.8 Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and any SubContractors or members of its Workforce assisting Business Associate in the performance of its obligations under this BAA available to Covered Entity, at no cost to Covered Entity, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers or employees based upon a claim of violation of the HIPAA or other applicable laws relating to privacy or security.

6.9 Indemnification. Notwithstanding anything to the contrary which may be contained in any Underlying Agreement, including but not limited to any limitations on liability contained therein, Business Associate hereby agrees to indemnify and hold harmless Covered Entity and its respective officers, directors, managers, members, employees and agents from and against any and all losses, damages, fines, penalties, claims or causes of action and associated expenses (including, without limitation, costs of judgments, settlements, court costs and attorney's fees) resulting from Business Associate's (including its employees, directors, officers, agents, or other members of its Workforce, and its SubContractors) breach of PHI or violation of the terms of this BAA, including but not limited to failure of Business Associate to perform its obligations under this BAA, or to comply with HIPAA or applicable state privacy or security law.

6.10 Governing Law; Applicable Law and Venue. This BAA shall be construed in accordance with the laws of the State of California applicable to agreements made and to be performed in such state. Any dispute between the Parties shall be brought before the Superior Court of Kern County, California, which shall have jurisdiction over all such claims

6.11 Disclaimer. Neither Party represents or warrants that compliance by the other Party with this BAA, HIPAA, the HIPAA Rules, or the HITECH Act will be adequate or satisfactory for the other Party's own purposes. Each Party is solely responsible for its own decisions regarding the safeguarding of PHI.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the undersigned has caused this Addendum to be duly executed in its name and on its behalf.

KERN COUNTY HOSPITAL AUTHORITY  
on behalf of Kern Medical Center

GE HEALTHCARE

COVERED ENTITY

BY: \_\_\_\_\_

BY: 

Print Name: Russell Bigler

**Print Name: Nestor Rivera**

Print Title: Chairman, Board of Governors

Print Title: Chief Privacy Counsel, US/CAN Privacy Leader

Date: \_\_\_\_\_

Date: February 13, 2020

APPROVED AS TO FORM  
Legal Services Department

By   
Kern County Hospital Authority

Schedule A  
Covered Entity

**Covered Entity:** Kern County Hospital Authority  
**List of Affiliates and/or Subsidiaries:**  
**Kern Medical Center**





**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 16, 2020

**Subject:** Proposed Amendment No. 1 to Agreement 014-2019 with Meridian Healthcare Partners, Inc.

**Recommended Action:** Approve; Authorize the Chairman to sign

**Summary:**

Attached is proposed Amendment No. 1 to the agreement with Meridian Healthcare Partners, Inc. (Meridian), for Chief Executive Officer and healthcare management services to the hospital authority and Kern Medical for the period December 16, 2018 through December 15, 2025. The proposed amendment revises paragraph 4.5 of the agreement. This paragraph requires that Meridian “engage or employ such qualified personnel as are necessary for the proper and efficient management of KMC” by specific job title. The revision will provide Meridian with flexibility to staff the management and executive level positions required under the agreement. Upon approval, the agreement will now require that Meridian provide one Chief Executive Officer, five Vice Presidents, seven Directors, and two Administrative Assistants to supervise and manage the day-to-day operations of Kern Medical.

The current monthly management fee of \$432,814, which is scheduled to sunset on December 15, 2020, will remain unchanged. That figure has been used to calculate the maximum payable for the next two years to cover the period December 16, 2020 through December 15, 2022. The amendment reflects the new maximum payable of \$10,387,536 for that two-year period.

Therefore, it is recommended that your Board approve Amendment No. 1 to the agreement with Meridian Healthcare Partners, Inc., and authorize the Chairman to sign.

**AMENDMENT NO. 1  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Meridian Healthcare Partners, Inc.)**

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Meridian Healthcare Partners, Inc., a California corporation (“Contractor”), with its principal place of business located at 3511 Union Avenue, Bakersfield, California 93306.

**RECITALS**

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. #014-2019, dated February 20, 2019) (“Agreement”), for the period December 16, 2018 through December 15, 2025, whereby Contractor provides healthcare consulting and executive management services including supervision and management of the day-to-day operations of KMC; and

(b) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

(c) The Agreement is amended effective September 16, 2020;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Section 4, Obligations of Contractor, paragraph 4.5, Contractor Staff, shall be deleted in its entirety and replaced with the following:

“4.5 Contractor Staff. Contractor shall engage or employ such qualified personnel as are necessary for the proper and efficient management of KMC, including without limitation, the following positions: one (1) Chief Executive Officer; five (5) Vice President level positions; seven (7) Director level positions; and two (2) Administrative Assistants. All personnel provided by Contractor shall be compensated by Contractor and shall be employees or independent contractors of Contractor. Contractor shall be responsible for compensating all such engaged or employed persons, including, as applicable, payroll taxes, benefits, and workers’ compensation insurance. Contractor shall be responsible for supervision of activities performed by all employees and independent contractors.”

2. Section 6, Payment for Services, paragraph 6.4, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“6.4 Maximum Payable. The maximum payable under this Agreement shall not exceed \$10,387,536 for the period December 16, 2020 through December 15, 2022.”

3. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

6. Except as provided herein, all other terms, conditions, and covenants of the Agreement shall remain in full force and effect.

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 1 as of the day and year first written above.

MERIDIAN HEALTHCARE PARTNERS, INC.

By \_\_\_\_\_  
Russell V. Judd  
Its President

KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Chairman  
Board of Governors

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By \_\_\_\_\_  
VP & General Counsel  
Kern County Hospital Authority

Amend1.Meridian.082520



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 16, 2020

**Subject:** Proposed retroactive Amendment No. 9 to Agreement 947-2008 with Toyon Associates, Inc.

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve Amendment No. 8 with Toyon Associates, Inc. for preparation of Kern Medical's annual Medicare and Medi-Cal cost reports and processing of appeals of denials, including Medicare and Medi-Cal supplemental reporting.

The amendment extends the term for two years from October 14, 2020 through October 13, 2022, incorporating changes to the hourly rates, and increasing the maximum payable by \$950,000, from \$3,340,000 to \$4,290,000.

Therefore, it is recommended that your Board approve the Amendment No. 9 to the Agreement with Toyon Associates, Inc., and authorize the Chairman to sign.

**AMENDMENT NO. 9  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Toyon Associates, Inc.)**

This Amendment No. 9 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Toyon Associates, Inc., a California corporation (“Contractor”), with its principal place of business located at 1800 Sutter Street, Suite 600, Concord, California 94520.

**RECITALS**

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Kern County Agt. #947-2008), Amendment No. 1 (Kern County Agt. #789-2010), Amendment No. 2 (Kern County Agt. #159-2013), Amendment No. 3 (Kern County Agt. #748- 2013), Amendment No. 4 (Kern County Agt. #777-2014), Amendment No. 5 (Kern County Agt. #007-2016), Assignment of Agreement (Kern County Agt. #335-2016), Amendment No. 6 (Agt. #2017-034), Amendment No. 7 (Agt. #073-2017), and Amendment No. 8 (Agt. #071-2018), for third party reimbursement services to KMC; and

(b) Section 21 of the Agreement provides that it may be amended; and

(c) It is the intent of the parties to have the terms of the Agreement provide for the payment of all reasonably projected costs and expenses related to the services provided by Contractor; and

(d) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and; and

(e) The Agreement is amended effective October 14, 2020;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and incorporating by this reference the foregoing recitals, the parties agree to amend the Agreement as follows:

1. Section 1, Term, shall be deleted in its entirety and replaced with the following:

“1. Term. Performance of Contractor and Authority shall commence October 14, 2008, and shall end October 13, 2022, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 3, Compensation, paragraph 3.5, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“3.5 Maximum Payable. The maximum payable under this Agreement shall not exceed \$4,290,000 over the term of this Agreement.”

3. Amendment No. 5 to Exhibit “A,” Description of Services, shall be deleted in its entirety and replaced with Amendment No. 6 to Exhibit “A,” Description of Services, attached hereto and incorporated herein by this reference.
4. Exhibit “B-5,” Hourly Rates, October 14, 2018 – October 13, 2020, shall be deleted in its entirety and replaced with Exhibit “B-6,” Hourly Rates, October 14, 2020 – October 13, 2022, attached hereto and incorporated herein by this reference.
5. All capitalized terms used in the Agreement and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
6. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
7. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
8. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 9 as of the day and year first written above.

TOYON ASSOCIATES, INC.

By \_\_\_\_\_  
Ronald G. Knapp  
Executive Vice President

KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Chairman  
Board of Governors

APPROVED AS TO CONTENT:  
KERN MEDICAL CENTER

By \_\_\_\_\_  
Russell V. Judd  
Chief Executive Officer

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By \_\_\_\_\_  
Vice President & General Counsel  
Kern County Hospital Authority



**AMENDMENT NO. 6  
TO  
EXHIBIT "A"  
DESCRIPTION OF SERVICES**

1. Routine Services: Contractor shall provide any of the following routine third-party reimbursement services, if requested by KMC and approved in advance by KMC:
  - A) Medicare and Medicaid cost report preparation
  - B) Medicare Schedule 10 preparation and audit support
  - C) Medicare Wage index preparation and audit support
  - D) Medicaid eligible days documentation development for Medicare DSH optimization
  - E) Medicare SSI ratio analysis and realignment filing for Medicare DSH optimization
  - F) Review prior year Medicare and Medicaid cost reports for accuracy
  - G) Medi-Cal redesign cost analysis and interim rate support
  - H) Medicare and Medicaid cost report audit appeals
  - I) Medicare cost report compliance review and policies and procedures development
  - J) Contractual allowance and reserve analysis, including audit review
  - K) Medicare and Medicaid cost report audit assistance
  - L) Annual OSHPD report assistance
  - M) Medicare and Medicaid reimbursement planning and strategy development
  - N) Medicare bad debt recovery documentation development, analysis and appeals
  - O) Medicare wage index review and reclassification requests
  - P) Medicare GME/IME reimbursement review and payment optimization
  - Q) AB 85 Public Hospital County data submission form preparation or review
  - R) Preparation and review of AB 915 claims
  - S) Preparation and review of Medi-Cal waiver workbooks (aka P-14 workbooks)
  - T) Preparation or review of CAPH and/or DHCS data requests regarding Medi-Cal program funding
  - U) Process Medi-Cal POS for aid code review
  - V) Assist with gathering data for the GPP Program
  - W) Provide assistance in reconciling patient data for EPP and QIP Programs
  
2. Specialized Services: Contractor shall provide the following specialized services, as requested by KMC:
  - A) Assist with monthly booking of revenue and periodic true-up of revenue based on updated schedules from CAPH, and review actual Medi-Cal outpatient and physician costs (AB 915 and Physician SPA)
  - B) Develop projections for KMC government program net revenue
  - C) Assist with development of template for monthly contractual allowance calculations and provide routine review
  - D) Review booking of Practice Plus revenue and ensure that data are captured in a format necessary for cost reporting and claiming
  - E) Provide ongoing training for designated KMC staff, as necessary, regarding state/federal funding and proper cost report and P14 preparation

- F) Identify data needs and items for review to prepare and/or revise P14 workbook(s) including, without limitation, dual eligible calculations
- G) Oversee and support P14, PPNP (MD SPA), Medi-Cal, GPP and EPP audits
- H) Prepare quarterly cost reports to validate data and identify potential adjustments prior to year-end
- I) Undertake special projects and/or analysis not otherwise covered regarding government funding

[Intentionally left blank]

**EXHIBIT “B-6”  
HOURLY RATES  
October 14, 2020 – October 13, 2022**

[See attached]

**TOYON ASSOCIATES, INC.**  
**Kern Medical Center**  
**Eff. October 14, 2020 - Service Pricing**

<b>Title</b>	<b>10/14/2020</b>	<b>10/14/2021</b>
President	\$ 550	565
Executive V.P.	\$ 525	540
Vice President	\$ 440	455
Senior Director	\$ 375	385
Senior Manager	\$ 345	355
Director	\$ 300	310
Asst. Director	\$ 300	310
Manager	\$ 285	295
Senior Consultant	\$ 275	285
Consultant	\$ 250	255
Senior Analyst	\$ 220	225
Analyst	\$ 165	170
Appeals Coordinator	\$ 195	200
Administrative	\$ 125	130

**Programming Staff**

<b>Title</b>	<b>10/14/2020</b>	<b>10/14/2021</b>
Manager Systems Development	\$ 330	340
Director of Information Technology	\$ 300	310
Systems Programmer	\$ 250	255
Systems Administrator	\$ 220	225
Web Applications Developer	\$ 195	200
Programmer Analyst	\$ 195	200

**Fixed Fee Service Schedule**

DSH POS - CR Prep/Yr	\$ 4,000	FY 6/20-6/22
DSH Historical - Prep/Audit - Per Yr	\$ 12,000	FY 6/20-6/22
Medicare/Medi-Cal Bad Debt - Prep/Audit - Per Yr	\$ 10,000	FY 6/20-6/22
SSI Realignment - Analysis/MAC Request - Per Yr	\$ 3,500	Yrs Pursued

**DSH OP POS Look-up Service**

Fees to process Medi-Cal OP POS are based on the volume of accounts processed. The POS system provides eligibility for the past 12 months. We therefore recommend processing the look-ups on a quarterly basis. Toyon's fee for this service are:

- Initial Set-up Fee/Quarter \$250

<b>Acct Volume</b>	<b>Fee/Lookup</b>
0-100,000	\$.05/acct
100,001 - 500,000	\$.025
500,001 - 1,000,000	\$.02
+1,000,001	\$.015

The volumes described above are based on cumulative claims processed in a fiscal year. Each July 1st, the account volume is reset to zero.



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 16, 2020

**Subject:** Proposed Retroactive Engagement Letter with Strata Decision Technology LLC

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the proposed retroactive Engagement Letter dated September 3, 2020 for professional services with Strata Decision Technology LLC to provide Kern Medical Center with consulting services related to software management reporting, capital budgeting, and tracking. This engagement letter is made pursuant to the terms of the software use agreement entered into by your Board on March 16, 2017.

<b>Previous Agreements</b>	<b>Purpose of Amendment</b>	<b>Variance</b>
Original Agreement, effective March 16, 2017	Software Use Agreement – Implementation of StrataJazz	\$2,056,164
Amendment No. 1, effective September 27, 2017	Added Additional Users to StrataJazz programs	\$54,525
Addendum to Agreement, effective March 16, 2018	Added Additional Users to StrataJazz programs	\$146,480
Addendum to Agreement, effective October 8, 2018	Use of Customer Data by Vendor	No change
Proposed Engagement Letter, effective August 17, 2020	Provide Consulting Services for StrataJazz	\$95,850

Therefore, it is recommended that your Board approve the retroactive Engagement Letter with Strata Decision Technology LLC for professional services, in an amount not to exceed \$95,580, and authorize the Chairman to sign.



200 East Randolph Street  
49<sup>th</sup> Floor  
Chicago, Illinois 60601

312.726.1227  
www.stratadecision.com

August 17, 2020

Russell Bigler  
Chairman, Kern County Hospital Authority Board of Governors  
Kern County Hospital Authority  
1700 Mount Vernon Avenue  
Bakersfield, California 93306

Dear Mr. Bigler:

This is an engagement letter that outlines the terms and conditions for Strata Decision Technology, LLC ("Strata Decision") to provide Kern County Hospital Authority ("Kern") with consulting services related to StrataJazz Management Reporting, Capital Budgeting & Tracking, StrataJazz Data Integration, and StrataJazz Project Management. This engagement letter shall be pursuant to the Software Use Agreement (the "Agreement") dated March 16, 2017 between Strata Decision and Kern.

**StrataJazz Management Reporting, Capital Budgeting & Tracking, StrataJazz Data Integration, and StrataJazz Project Management:**

Strata Decision shall provide Kern with the consulting services set forth below in Exhibit A. These services will be provided to Kern in accordance with the following terms: (1) Kern will pay Strata Decision a fixed fee of \$95,850 and (2) Kern will use one (1) consulting day from its balance of anniversary days for StrataJazz Productivity Reporting and ten (10) consulting days from its balance of anniversary days for StrataJazz Decision Support. Travel expenses will be billed separately from the cost of this engagement.

Description	Fees
StrataJazz Management Reporting	\$11,600
StrataJazz Capital Budgeting & Tracking	\$23,200
StrataJazz Data Integration	\$51,800
StrataJazz Project Management	\$9,250
<b>TOTAL</b>	<b>\$95,850</b>

**Payment Terms**

The total fees for this engagement will be billed upon receipt of the signed engagement letter, payment terms as set forth in the Agreement. Interest is applied to charges not remitted as set forth in the Agreement.

By signing below, the parties have agreed to the terms stated in the above agreement.

STRATA DECISION TECHNOLOGY, LLC

KERN COUNTY HOSPITAL AUTHORITY

By:   
Name: JOHN MARTINO  
Title: COO & CFO

By: \_\_\_\_\_  
Name: RUSSELL BIGLER  
Title: Chairman, Kern County Hospital Authority  
Board of Governors

Date: 9/10/2020

Date: \_\_\_\_\_

APPROVED AS TO FORM  
Legal Services Department

By:   
Kern County Hospital Authority

**EXHIBIT A**

<b>Optimization Item</b>	<b>Scope Summary/Commentary</b>
MR & PR Rollout Readiness Support	<ul style="list-style-type: none"> <li>• Strata Decision to provide guidance and support MR &amp; PR Dashboard and Reporting clean-up – i.e. clean-up metrics that aren't needed, add VP rollup and Income Statement by VP with current month + YTD</li> <li>• Strata Decision to provide support for user security updates/clean-up as needed</li> </ul>
End-User Re-training Support	<ul style="list-style-type: none"> <li>• Strata Decision to share latest training materials templates, 1-pagers, and reference materials</li> <li>• Strata Decision to facilitate virtual combined MR + PR End-user training (~1.5hrs) and record session</li> </ul>
Cash Flow (+Balance Sheet) Build	<ul style="list-style-type: none"> <li>• Strata Decision to configure Cash Flow (and Balance Sheet) reporting capabilities with input from Kern team</li> <li>• Scoping &amp; timing includes the report creation and assumes data in Strata Decision does not require additional effort/support</li> </ul>

Optimization Item	Scope Summary/Commentary	Additional Info:
Capital Planning Admin Training & Rollout Support	<ul style="list-style-type: none"> <li>• Strata will provide overall walkthrough of current system configuration and conduct Administrator Training (up to 8-hours)</li> <li>• Strata will assess current state of ERP Spend data file automation and provide support to load historical data for Accounts Payable Invoices, Open Purchase Orders, and General Ledger Journal Entries</li> <li>• Strata will support the load of existing Capital Project details based on standard format</li> <li>• Strata will provide one set of standard Train-the-Trainer materials to equip Customer Administrator to facilitate End User Training</li> <li>• Strata will provide End User Training (up to 8-hours)</li> <li>• Strata will provide up to four (4) weeks with up to eight (8) hours of rollout support from the implementation consultants</li> </ul> <p><b>Out of Scope:</b></p> <ul style="list-style-type: none"> <li>• Modifications to existing configuration to include Request Form and Defined Workflows</li> </ul>	N/A
Decision Support Costing Accounting & Contract Analytics Admin Training Support	<ul style="list-style-type: none"> <li>• Strata will conduct Administrator &amp; Maintenance Training sessions for Cost Accounting and Analytics (up to 16-hours)</li> <li>• Strata will conduct Administrator &amp; Maintenance Training sessions for Contract Modeling and Analytics (up to 16-hours)</li> <li>• Strata will provide one set of standard Train-the-Trainer materials to equip Customer Administrator to facilitate End User Training</li> </ul>	Will use 8 of the available DS Consulting Anniversary days to support this training
Data Integration – Existing Feed Automation	<ul style="list-style-type: none"> <li>• Most of Kern’s financial data feeds to Strata are currently being loaded manually (i.e. General Ledger Summary and Detail, Payroll, Accounts Payable, Purchase Order, Inventory Detail)</li> <li>• Strata will configure these data sets to be imported on an automated schedule based on feasibility and cadence achievable by Customer</li> </ul>	Will use 2 of the available DS Consulting Anniversary days to support this training



## Data Integration

1. Strata Decision will configure a brand new automated Data Integration Interfaces for Hospital Billing data from Cerner in One (1) file format per data specifications provided.
  - One (1) Master definition file per Dimension
  - One (1) file format per Extract

The following is out of scope:

  - More than one (1) file format per extract listed above
  - Data outside of the data specifications guideline provided
  - Data field request changes after data requirements finalization may be considered out of scope and will require a change request
  - Changing file extract formats after the sample extract has been finalized and Database configurations have been built
  - The manual deletion/manipulation of data sets once imported (files need to be adjusted)
2. In collaboration with Kern, data reconciliation services to ensure Kern-provided data imported into StrataJazz reconciles to source system reports. Includes:
  - Up to 3 Kern file iterations per extract prior to file format finalization milestone.
  - 1 full historical reimport prior to the historical signoff milestone
  - Strata Decision to load test data into a test environment during testing
  - Kern to provide accurate data in a timely manner as agreed upon timeline
3. Strata Decision will configure of all data sets to be imported on an automated schedule based on data extract format signed off on by Kern.
4. Configuration of Data Integration meeting the following requirements:
  - Each data file will contain the required fields as defined in the data specifications document
  - Data queries from source systems should be created to allow for automated extraction and transfer
  - Historical Data is defined as data from EHR
  - Strata Decision will perform data transformations to normalize where possible and seamlessly integrate into StrataJazz data tables
  - Each data file, within a Data Set, is assumed to be in the same format for all entities, unless otherwise noted
  - Data files are reconciled in three phases; 1. By Kern after extraction from the source of the extract to the source system, 2. By Strata Decision after import of the import to the extract and reports provided by Kern, 3. By Kern after import of the import to the source system and reports provided by Kern
  - Kern iterations on file extraction are completed within mutually agreed upon timeline and with no more than 3 file iterations prior to file format finalization milestone with 1 full historical reimport prior to the historical sign off (could delay the overall project). Reimports after historical data sign off will incur additional fees.
5. Conversion work includes:
  - Kern to provide mappings/crosswalks between the legacy source system dimension tables and new EHR dimension tables. Strata Decision to provide feedback and system impact.
  - Strata Decision to use the mappings/crosswalks provided to rollup dimension data fields into like reporting groupings.
  - Uniform reporting between multiple source systems using these groupings.

6. Additional reporting attributes includes:
  - Strata Decision to work with Kern to identify up to 10 key data fields between legacy source system dimension tables and new EHR dimension tables to create a consolidate dimension data field.
  - Kern to provide mappings/crosswalks between the legacy source system dimension tables and new EHR dimension tables with a 1 to 1 or many to 1 relationship between data sets.
  - Uniform reporting between multiple source systems across the 10 consolidated data fields.

#### **Decision Support**

1. Strata Decision will provide recommendations and proactive support to Kern on analytics configuration updates needed based on their conversion approach including reports, service lines, patient populations, and allocation manager configurations.
2. Strata Decision will provide recommendations and proactive support to Kern on cost model configuration updates needed based on their conversion approach in order to update the current year cost model configuration and facilitate validation efforts to produce the expected cost outputs.
3. Strata Decision will provide recommendations and proactive support to Kern on contract model configuration updates needed based on their conversion approach in order to update the current year contract model configurations and facilitate validation efforts to produce the expected outputs.
4. Kern will complete analytics, cost model and contract analytics configuration updates with the Strata Decision guidance and proactive support described above based on Kern conversion approach.
5. Weekly touchpoints for 2 months managing the project to its completion

## **Project Management**

1. One work plan, designed per the scope discussed, will be provided electronically for each project at the onset of the platform implementation as well as throughout the project via weekly status updates
2. Platform Delivery Planning: Includes
  1. Recommendations of the appropriate Project Governance Structure for your organization
  2. Assistance in finalizing the appropriate project sequencing and timeline prior to kicking off the implementation
  3. Executive Kick-Off Meeting
  4. Project Launch Meeting to present the agreed upon implementation plan.
3. Project Management: The Service Delivery Manager to manage and deliver the following for the duration of the project as established by the initially agreed upon work plan:
  1. Project Work Plan Maintenance
  2. Scope and Statement of Work Management
  3. Change Request Documentation & Approval Process
  4. Coordination Across Solutions
  5. Steering Committee Meetings
  6. Training & Adoption Plan
4. Weekly Project Management Meetings: One (1) hour weekly project management calls with one Service Delivery Manager for the duration of the project as established by the initially agreed upon work plan
5. Weekly Technical Meetings: One (1) hour call per week for each module project (technical working session) with two (2) consultants for the duration of each project as established by the initially agreed upon work plan(s)
6. Weekly Status Report: Weekly updates on project status including:
  1. Overall Project Status
  2. Goals & Accomplishments
  3. Progress Towards Milestones
  4. Project Budget
  5. Risks & Issues



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 16, 2020

**Subject:** Hearing regarding proposed changes in Kern Medical Center Services

**Recommended Action:** Open hearing; receive public comment; close public hearing; approve closure of gynecologic oncology clinic; direct staff to relocate gynecologic oncology services

**Summary:**

Kern Medical Center requests your Board conduct a public hearing on the proposed closure of the gynecologic oncology clinic located at 2011 19th Street, Bakersfield, and relocation of those services to 9300 Stockdale Highway, Suite 100, Bakersfield.

This proposed action requires that your Board conduct a public hearing in accordance with Health and Safety Code section 1442.5 (also known as a Beilenson hearing). A notice to the public concerning this proposal was posted at all Kern Medical Center locations and all entrances to county health care facilities on Monday, August 31, 2020, at least 14 days in advance of the hearing, as required by section 1442.5. The notice contains the requisite information required by the statute. As a courtesy to the public, the notice was published in The Bakersfield Californian. A copy of the notice is attached. This plan will allow for increased operational efficiencies and enhanced patient amenities.

Patients will not be affected by the closure of the 19th Street clinic; the same services will be provided at a different clinic location. However, the closure will necessitate a reduction in staff with the deletion of two positions: one Back Office Medical Assistant and one Front Office Receptionist. It is anticipated that Kern Medical Center will save \$150,000 annually by closing the clinic and relocating these services. The expected date of the closure is no later than September 21, 2020.

Therefore, it is recommended that your Board take the following actions:

1. Open the hearing and receive public comment on the proposed closure of the gynecologic oncology clinic located at 2011 19th Street, Bakersfield; and
2. Close the public hearing; and
3. Approve the closure of the gynecologic oncology clinic located at 2011 19th Street, Bakersfield, effective no later than September 21, 2020; and
4. Direct staff to relocate gynecologic oncology services from 2011 19th Street to 9300 Stockdale Highway, Suite 100, Bakersfield.

## NOTICE

### PROPOSED CHANGES IN KERN MEDICAL CENTER SERVICES

On Wednesday, September 16, 2020, at 11:30 a.m. in Room 1058 located at Kern Medical Center, 1700 Mount Vernon Avenue, Bakersfield, California 93306, the Kern County Hospital Authority Board of Governors will hold hearings on the proposed closure of a clinic for gynecologic oncology services located at 2011 19th Street, Bakersfield, California 93301. The expected date of the closure is no later than September 21, 2020. This Notice is being provided, and the hearing will be conducted, pursuant to California Health and Safety Code section 1442.5.

For more information you may contact Kern Medical Center 24 hours a day at (661) 326-2000.

Kern Medical Center (“KMC”) has developed a plan to relocate gynecologic oncology services from the clinic located at 2011 19th Street to an existing clinic space that provides the same services at 9300 Stockdale Highway, Suite 100, Bakersfield, California 93311. There will be no reduction in existing services. This plan will allow for increased operational efficiencies and enhanced patient amenities.

Presented below is a list of the proposed changes, by facility and service, including the type of each proposed change, the expected savings, if any, and the number of persons affected.

**Facility:** Kern Medical Center Gynecologic Oncology Clinic located at 2011 19th Street, Bakersfield, California 93301  
**Service:** Gynecologic Oncology Services  
**Savings:** \$150,000 annually  
**Persons Affected:**

Patients: None; the same services will be provided at a different clinic location

Staff Reductions:

- 1 Back Office Medical Assistant – delete position
- 1 Front Office Receptionist – delete position

At any time not later than the hour set for the hearing, any person may submit written objections to his proposed change in service offered by KMC. Any written objections shall be signed by the objecting party, and be delivered to the Authority Board Coordinator.

Anyone wishing to present evidence or be heard regarding this matter may appear at the hearing of this matter, or any continuation thereof. If you challenge the action taken by the Board of Governors on this matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this Notice, or in written correspondence delivered to the Board of Governors at or prior to the public hearing.

As a courtesy to the public, this Notice has been published in The Bakersfield Californian.

**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 16, 2020

**Subject:** Review of Board of Governors vacant position selection process

**Recommended Action:** Receive and File

**Summary:** The enabling ordinance and the hospital authority's Bylaws for Governance provide the process by which an individual is appointed to the Board of Governors. The following will provide your Board with a brief overview of the selection process for filling any vacancy occurring on the Board of Governors. All appointments to the Board of Governors are made by the Kern County Board of Supervisors.

Qualifications –

- Desired qualifications include experience with business management, strategic planning, finance, public health policy, healthcare administration, medical services, and consensus building
- Specific qualifications include knowledge of health care delivery systems, health care policy, regulatory issues, and human resources in large organizations, an understanding of budgeting process, revenue cycle, financial reports, and basis accounting principles, and experience managing hospital services and understanding of the health care needs of the hospital authority's patient populations

Recruitment –

- Vacancies on the Board of Governors are posted on the county and hospital authority websites and at Kern Medical Center
- The announcement shall include the minimum qualifications and submission deadline

Applications –

- All applicants must complete an application and a security clearance consent form
- Applications are accepted from all eligible persons
- Completed applications of all qualified applicants are submitted to the Board of Supervisors at least 30 days prior to the scheduled meeting of the Board of Supervisors to consider appointment

Selection –

- The Board of Governors forwards to the Board of Supervisors all applications received by all qualified applicants to fill any vacancy
- The Board of Supervisors may consider any such application to fill a vacancy
- **The Board of Governors may make recommendations to the Board of Supervisors from the pool of qualified applicants**
- The Board of Supervisors shall consider qualified applicants but is not bound to appoint any such individual
- The Board of Supervisors may only appoint qualified individuals who have formally applied for membership on the Board of Governors and have passed security clearance
- The Board of Supervisors may make an appointment from the pool of qualified applicants or request the submission of additional candidates to fill the vacancy

Members, Board of Governors

September 16, 2020

Page 2 of 2

- Each member of the Board of Supervisors casts a ballot with one vote for each vacancy
- A candidate receiving a majority of all votes shall be appointed to the Board of Governors



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 16, 2020

**Subject:** Kern County Hospital Authority Financial Report – July 2020

**Recommended Action:** Receive and File

**Summary:**

COVID-19 Impact on Kern Medical Operations:

The COVID-19 pandemic has impacted Kern Medical's key performance indicators as follows:

- Average Daily Census of 151 for July is 15 more than the July budget of 136 and 36 more than the 115 average over the last three months
- Admissions of 697 for July are 154 less than the July budget of 851 and 18 less than the 715 average over the last three months
- Total Surgeries of 500 for July are 15 more than the July budget of 485 and 89 more than the 411 average over the last three months
- Clinic Visits of 13,759 for July are 357 more than the July budget of 13,402 and 1,892 more than the 11,867 average over the last three months

Kern Medical has maintained the staffing levels necessary to adequately provide coverage for a surge in pandemic activity if necessary. In addition, Kern Medical is participating in all emergency funding programs available at the county, state, and federal levels to offset lost revenue and increased expenses that may be realized due to the COVID-19 issue.

The following items have budget variances for the month of July 2020:

**Key Performance Indicators:**

Kern Medical experienced an abnormally high number of trauma activations during the month of July. This corresponds with a higher than average census and higher than average length of stay per patient, even though admissions are low for the month. Trauma patients needing a relatively high acuity level of care typically have longer than average lengths of stay. Therefore, a high census level was maintained in July from patients already in-house, not because of a high admissions rate. In addition, the higher than average Full-Time Equivalent (FTE) count for July is due to benefits for the entire year for the residents' program being paid in July.

**Patient Revenue:**

Gross patient revenue has a favorable budget variance for July mainly because of an exceptionally high average daily census of 151 compared to the budgeted amount of 136. In addition, there is an overall increase in revenue cycle efficiency since the implementation of the Cerner EHR.



**Indigent Funding:**

Indigent funding has an unfavorable budget variance due to a conservative approach to recognizing indigent funding revenue. During each month of fiscal year 2021 Kern Medical will only recognize 95% of the total projected revenue for the Managed Care Rate Range Program, the Medi-Cal Quality Assurance Fee Program, the Physician SPA Program, the Graduate Medical Education (GME) Program, and the AB915 Outpatient Supplemental Funding Program. Kern Medical will recognize 100% of total projected revenue for the Medi-Cal Waiver Programs of Public Hospital Redesign and Incentives in Medi-Cal (PRIME), the Global Payment Program (GPP), and the Whole Person Care Program (WPC). Kern Medical will also recognize 100% of the projected revenue for the Enhanced Payment Program (EPP) and the Quality Incentive Program (QIP).

**Other Operating Revenue:**

Other operating revenue has an unfavorable budget variance for the month mainly due to a lower than average allocation received from Proposition 56 tax revenue. Proposition 56 tax revenue consists of funds derived from cigarette taxes that are allocated to healthcare providers. These funds are typically paid quarterly; however, they have been budgeted evenly throughout the year. Kern Medical also received less than the average amount of grant revenue for the month. As with Proposition 56 revenue, grant revenue is typically received quarterly or inconsistently throughout the year. Monthly variances for these items should true-up on a year-to-date basis later in the fiscal year.

**Salaries Expenses:**

Salaries and benefits expenses are over budget for the month mainly because of an extremely busy month for the hospitals and clinics with an average daily census of 151. There was also a higher than average Relative Value Units (RVUs) payout to physicians in July. In addition, benefits for the entire fiscal year for the residents' program was paid in July contributing to higher than average benefits expenses for the month.

**Medical Fees:**

Medical fees are over budget for the month because the expenses for two physicians were under accrued during the past three months.

**Other Professional Fees:**

Other professional fees have a favorable budget variance for the month because of the reversal of an expense accrual for Allscripts services. The Information Systems department determined that the expense was over accrued in prior months. In addition, Kern Medical received credits from Change Healthcare for overpayments made to the vendor in prior months.

**Supplies Expense:**

Supplies expenses are under budget for the month because of lower than average surgical supplies expenses and because of an increase in the monthly budgeted amount for supplies expenses in the new fiscal year.

**Other Expenses:**

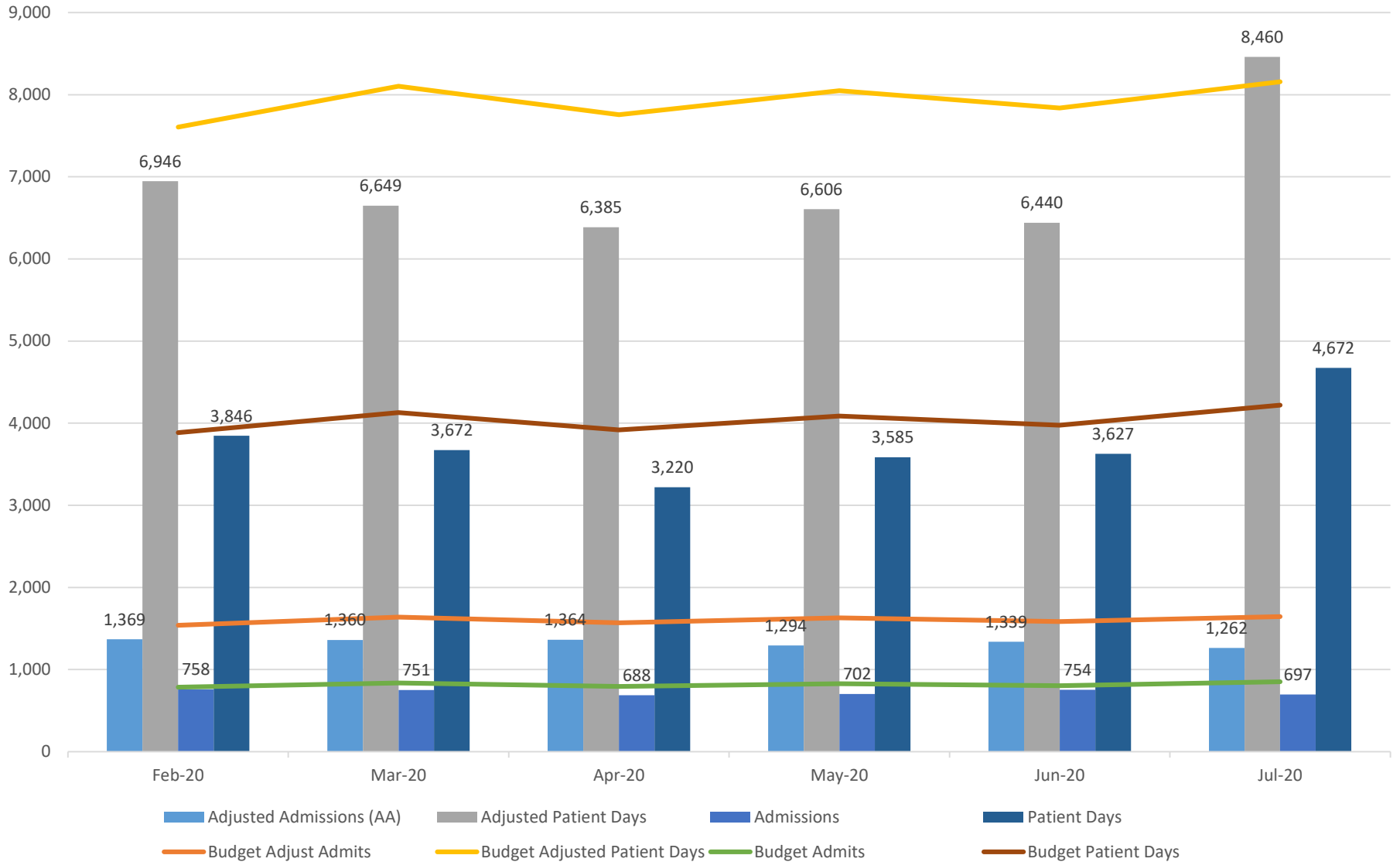
Other expenses are over budget for the month due to higher than average repairs and maintenance expenses. Utility expenses were also higher than average for the month, most likely due to warm weather.



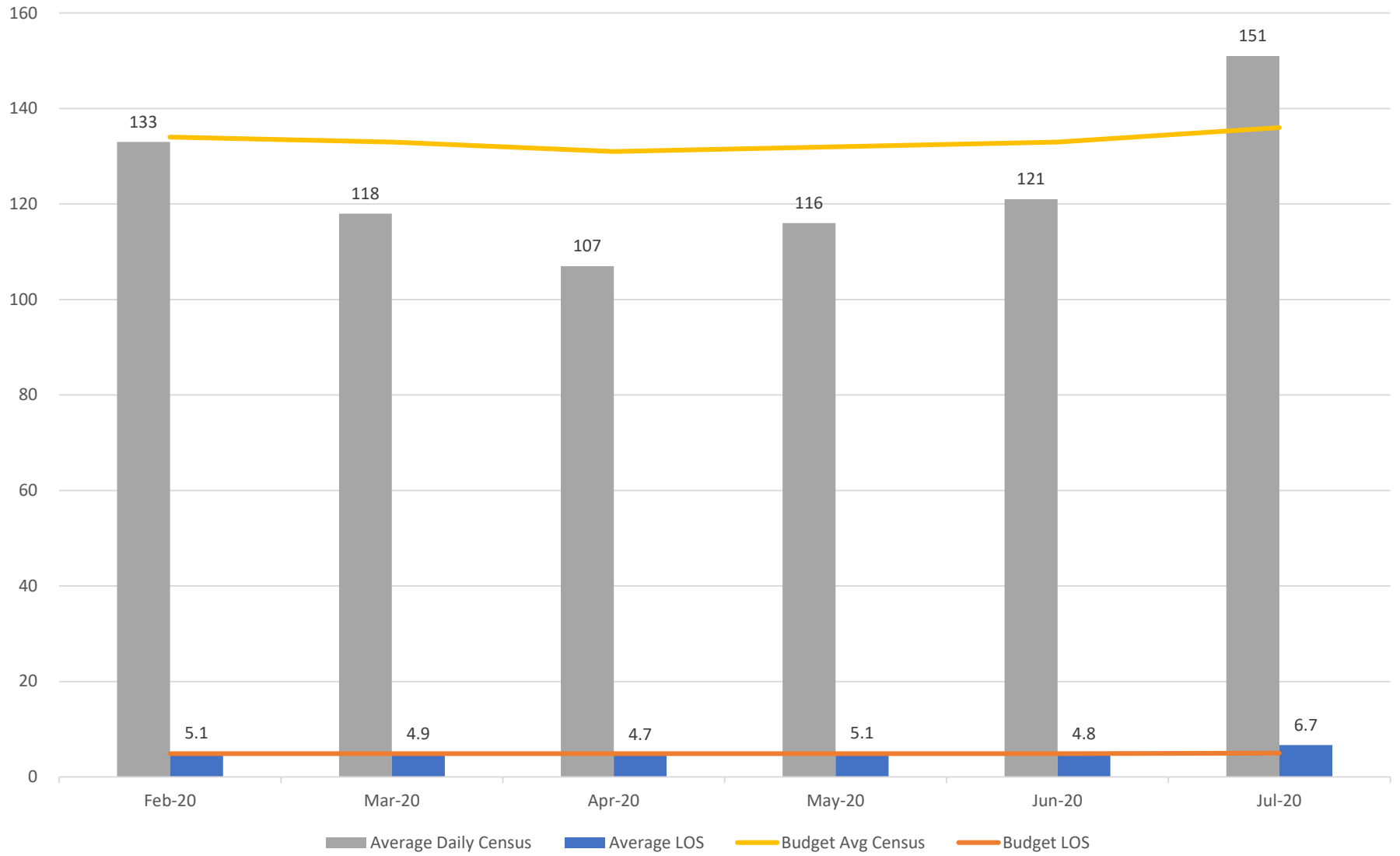
**BOARD OF GOVERNORS' REPORT  
KERN MEDICAL – JULY 2020**

September 2020

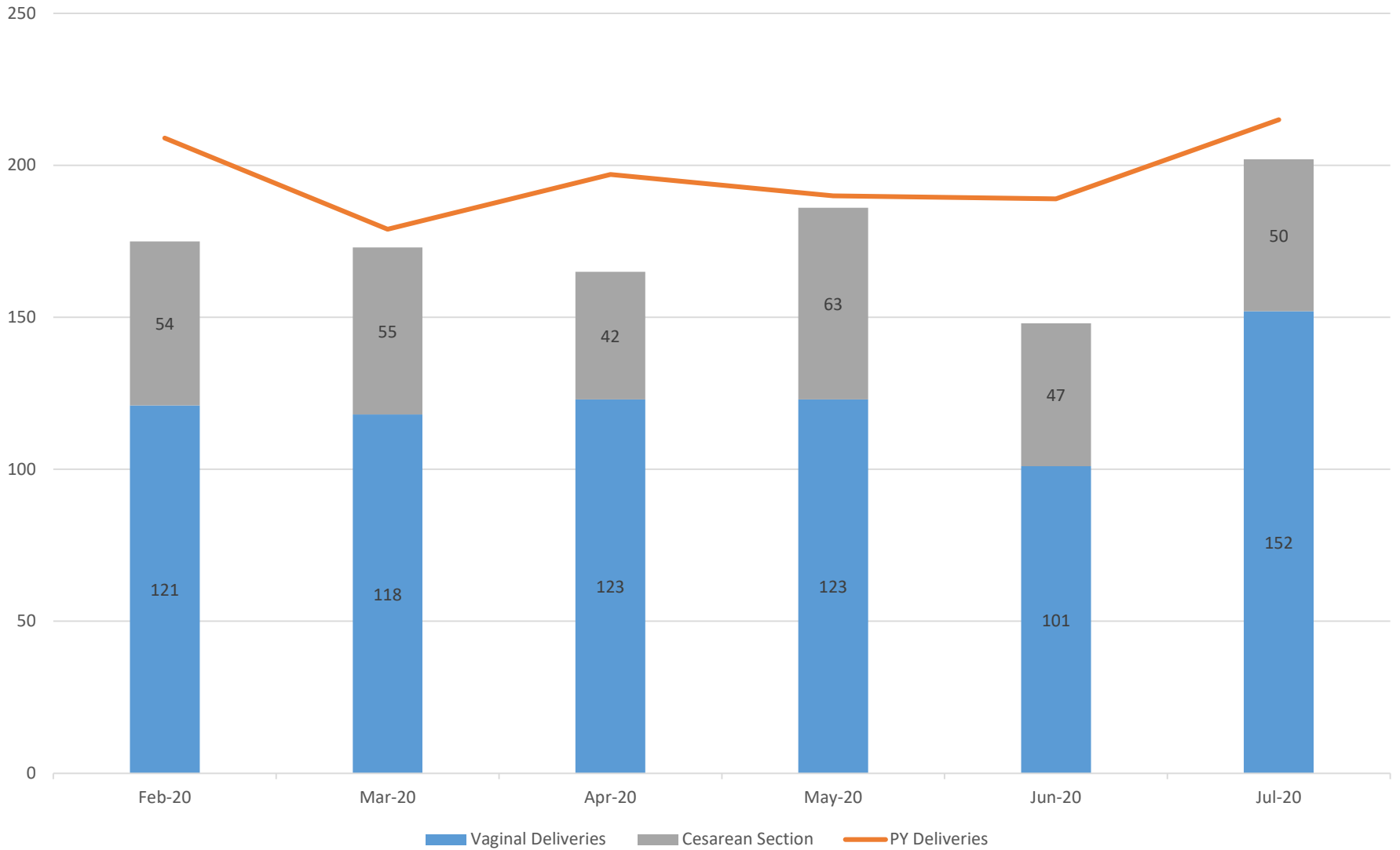
# Hospital Volumes



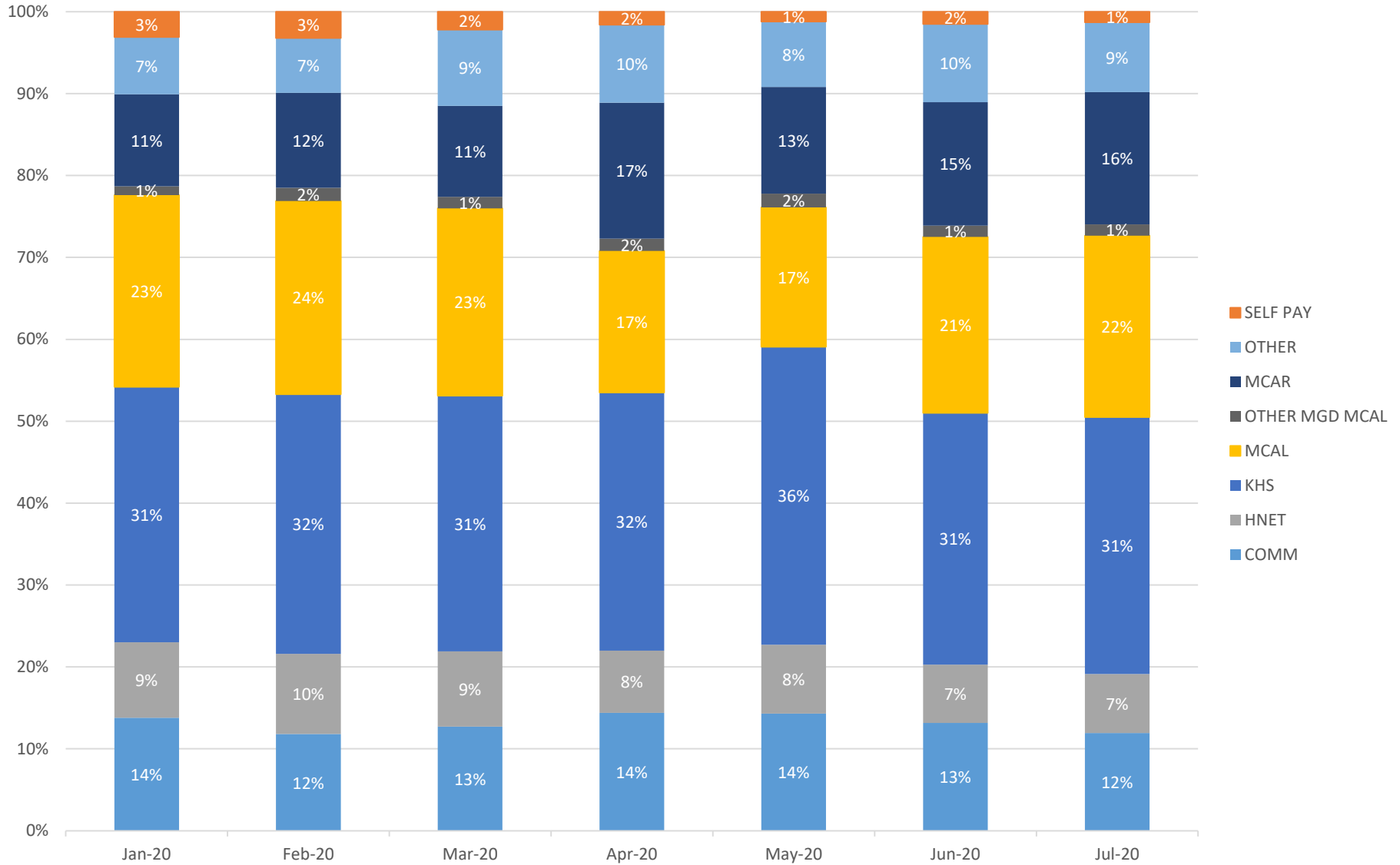
# Census & ALOS



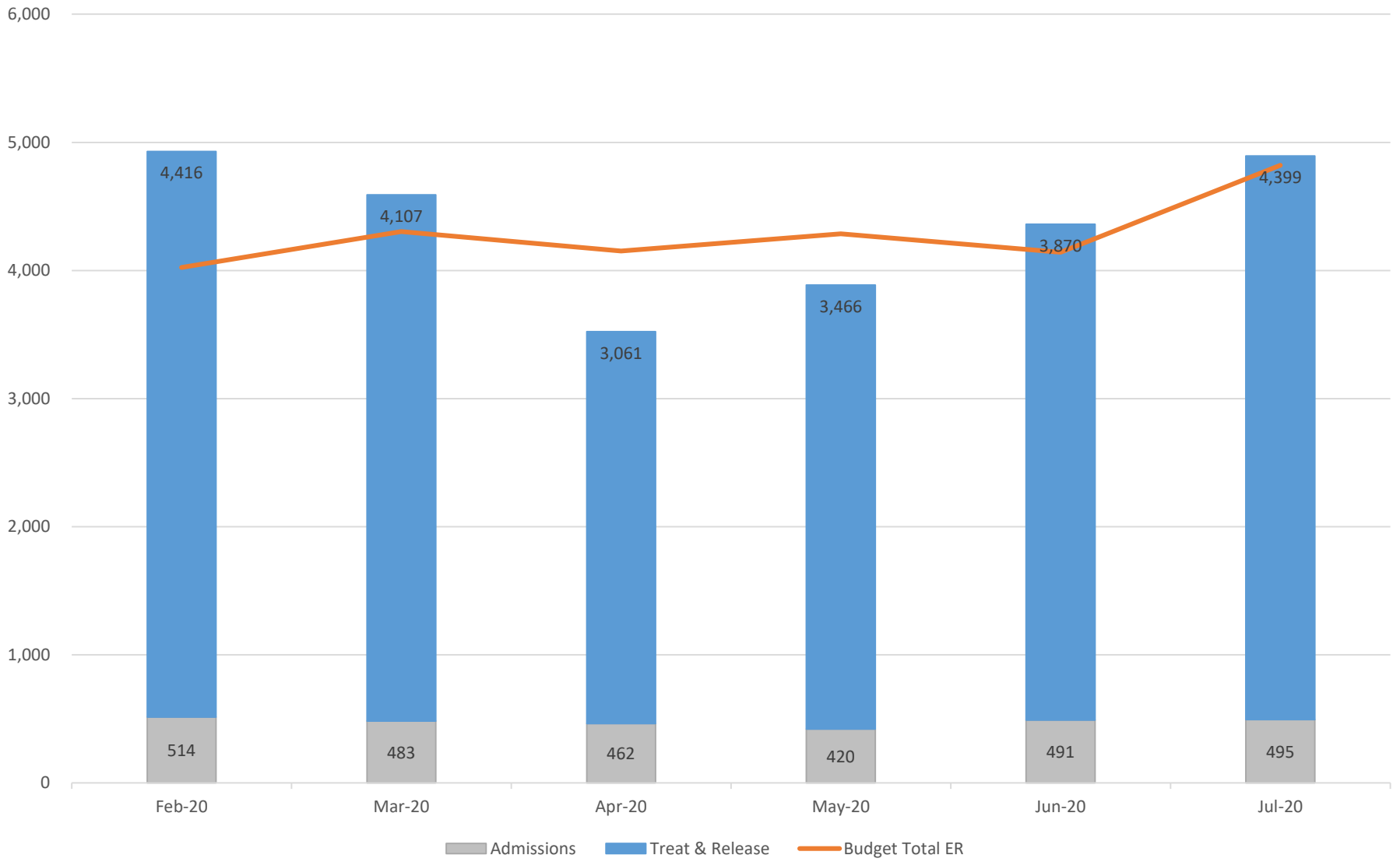
# Deliveries



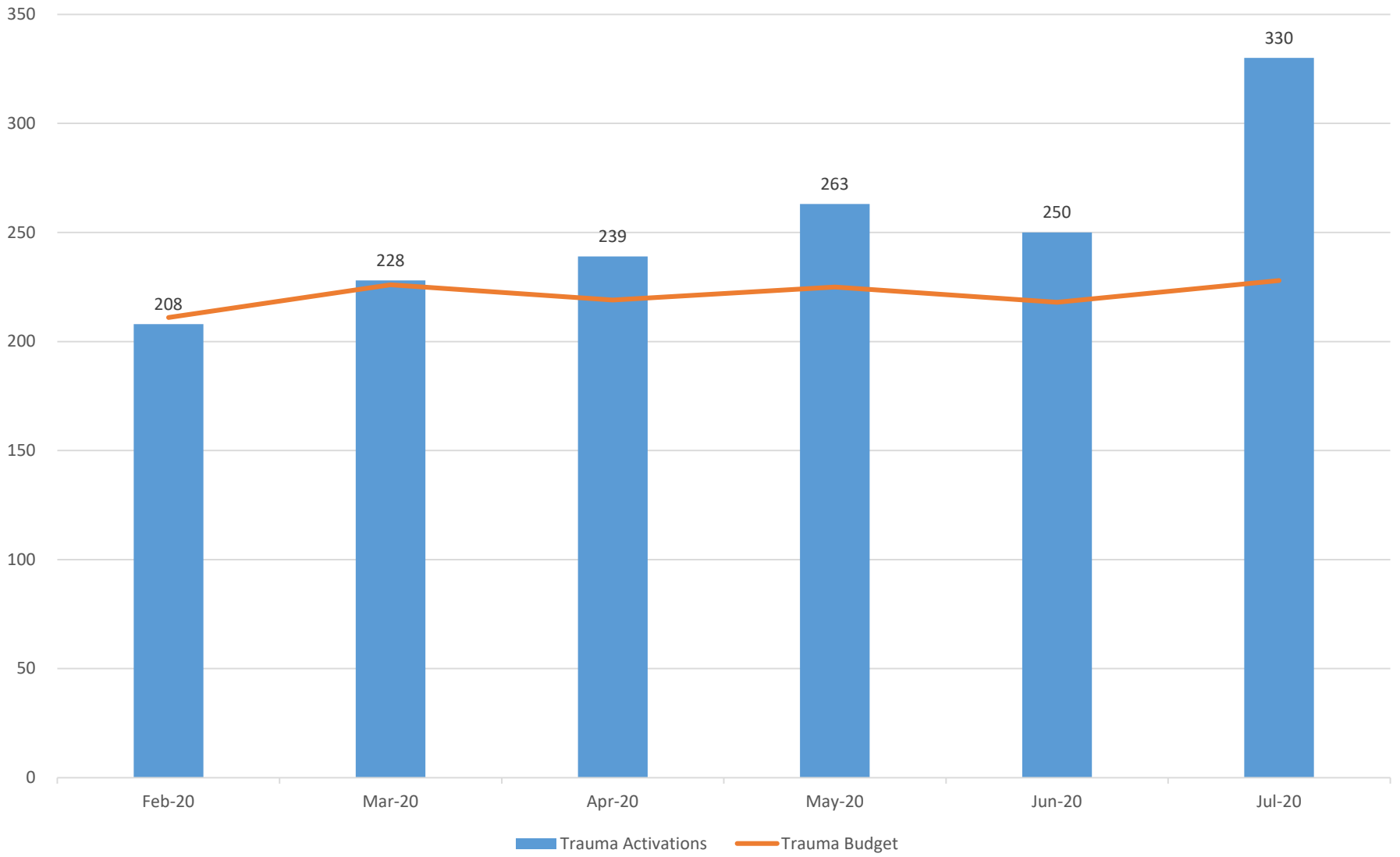
## PAYER MIX



# Emergency Room Volume

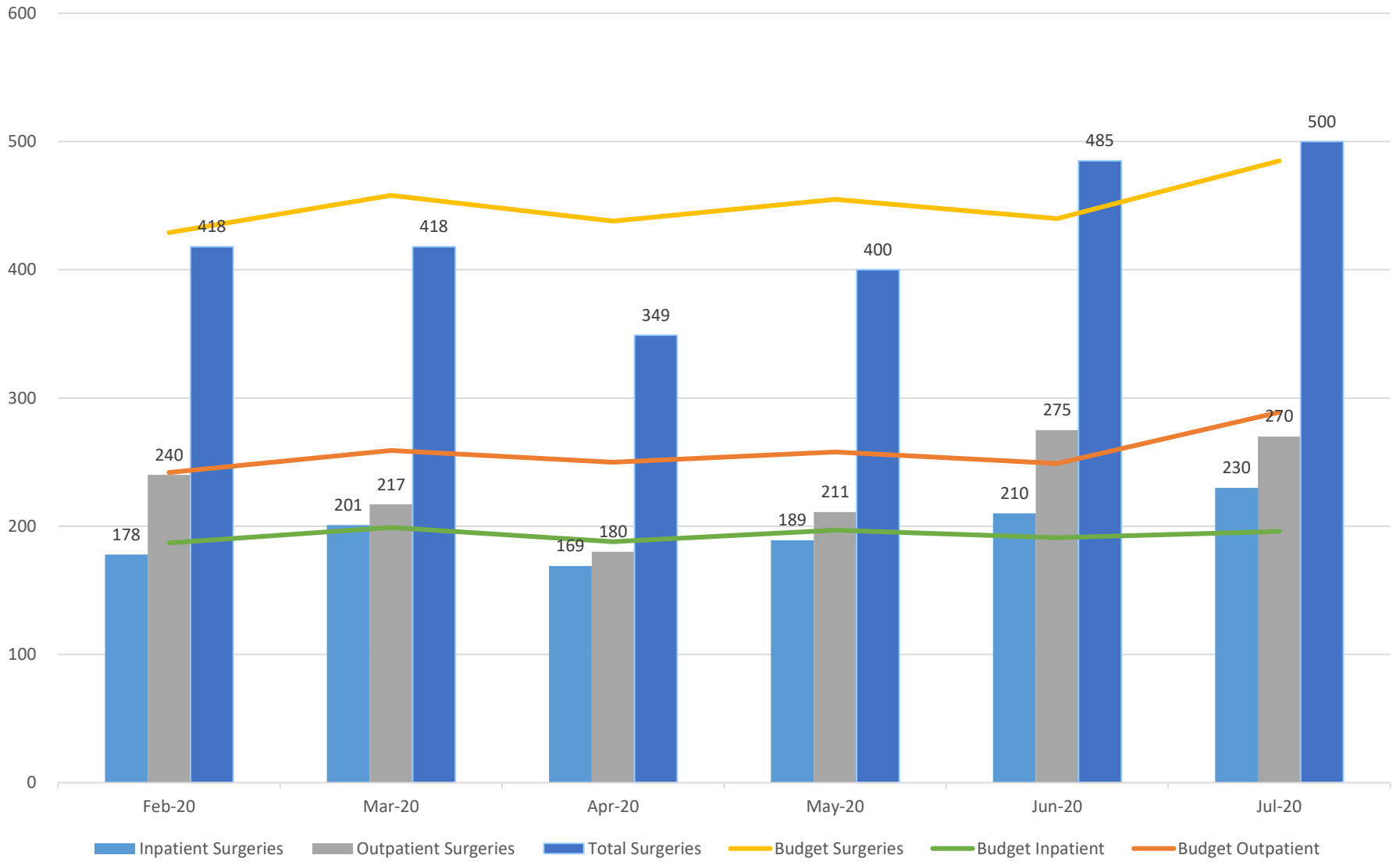


## Trauma Activations

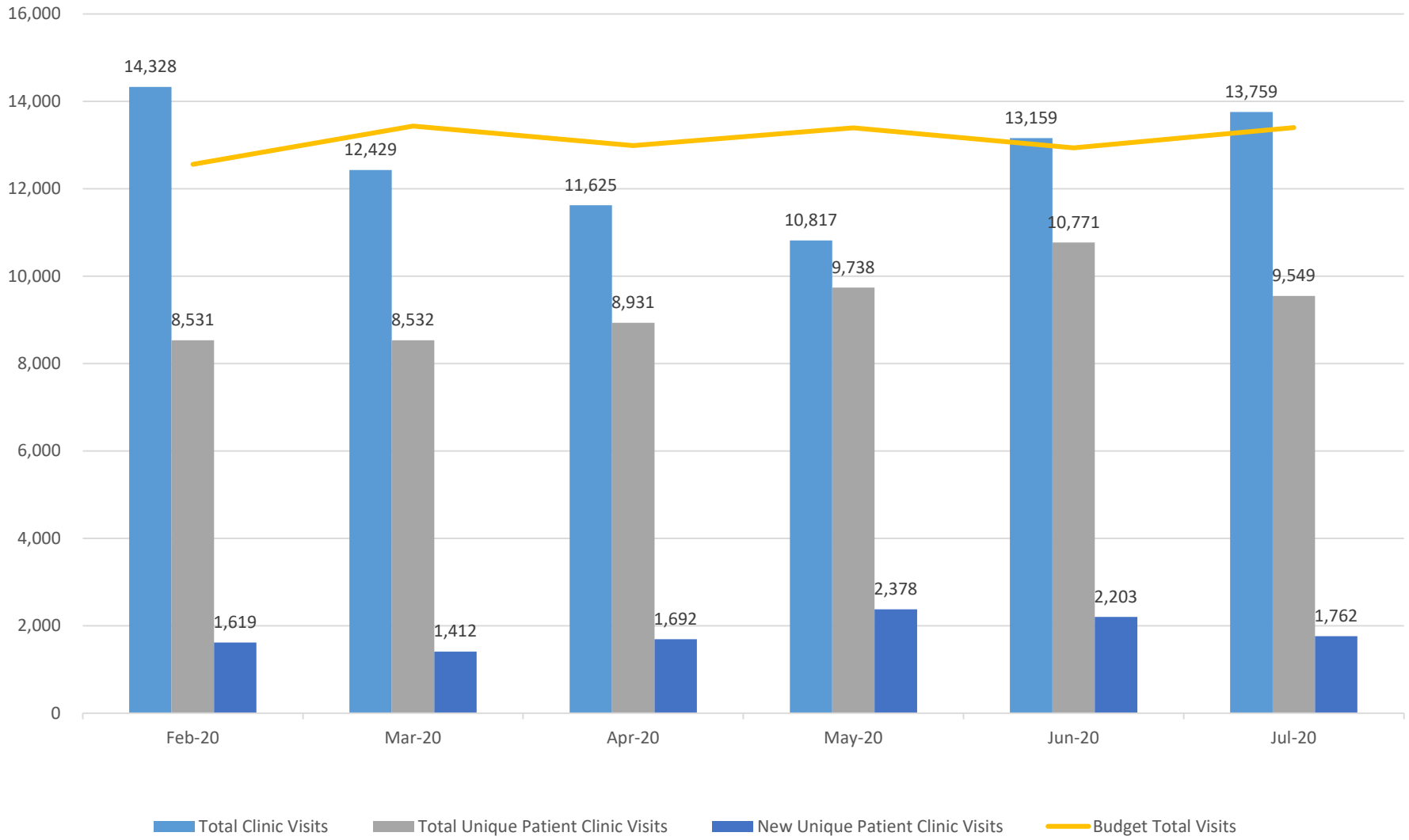




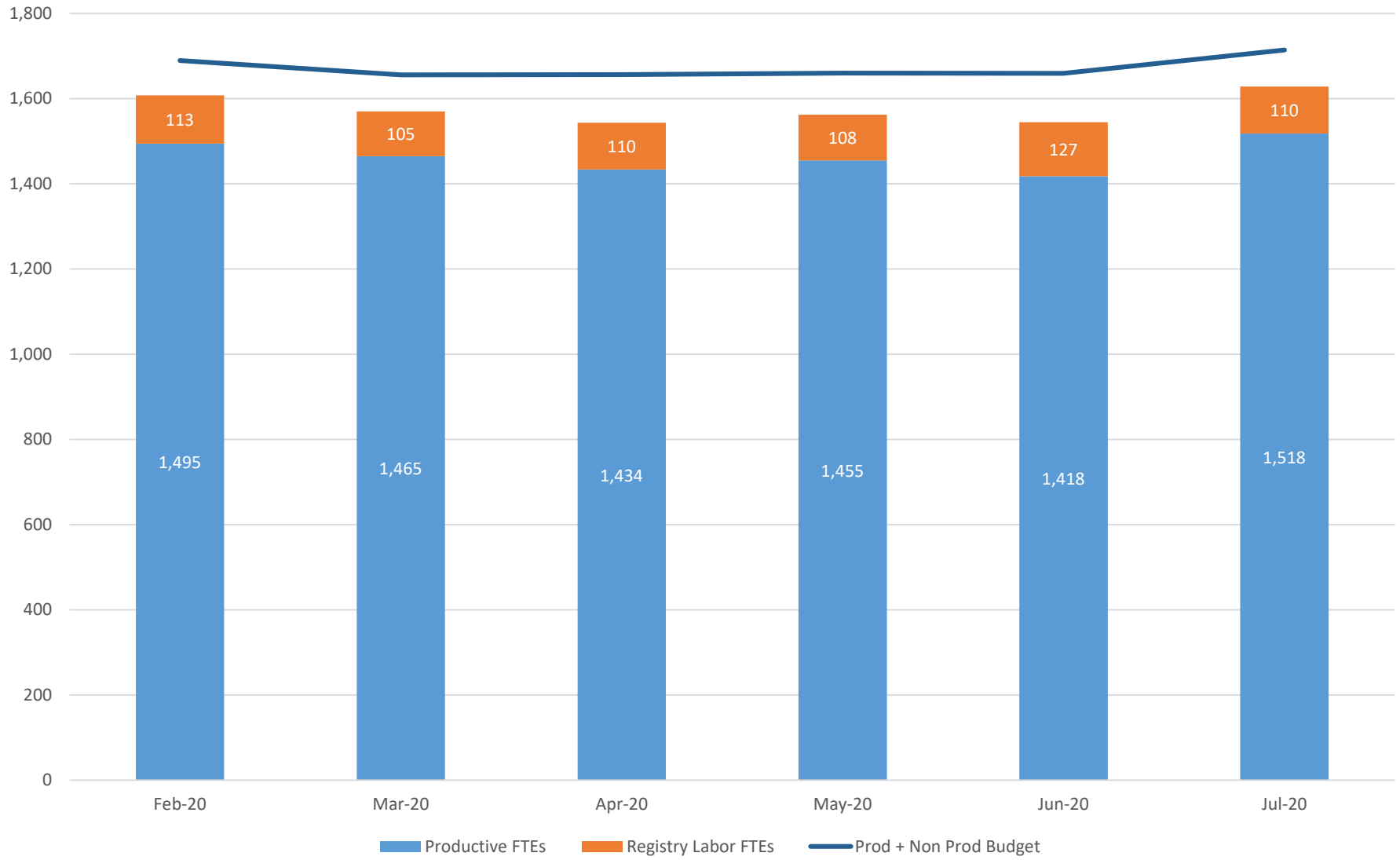
## Surgical Volume



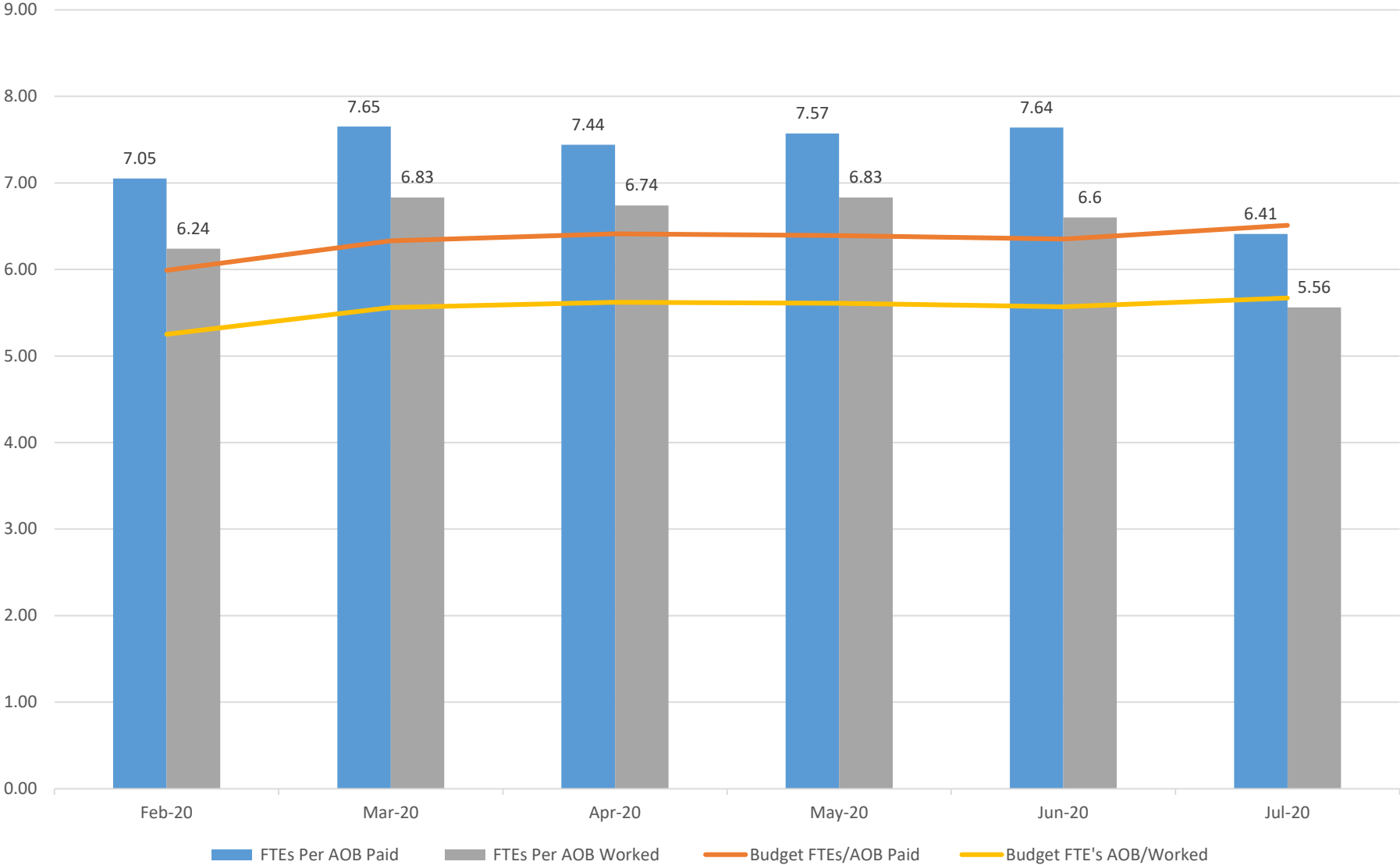
# Clinic Visits



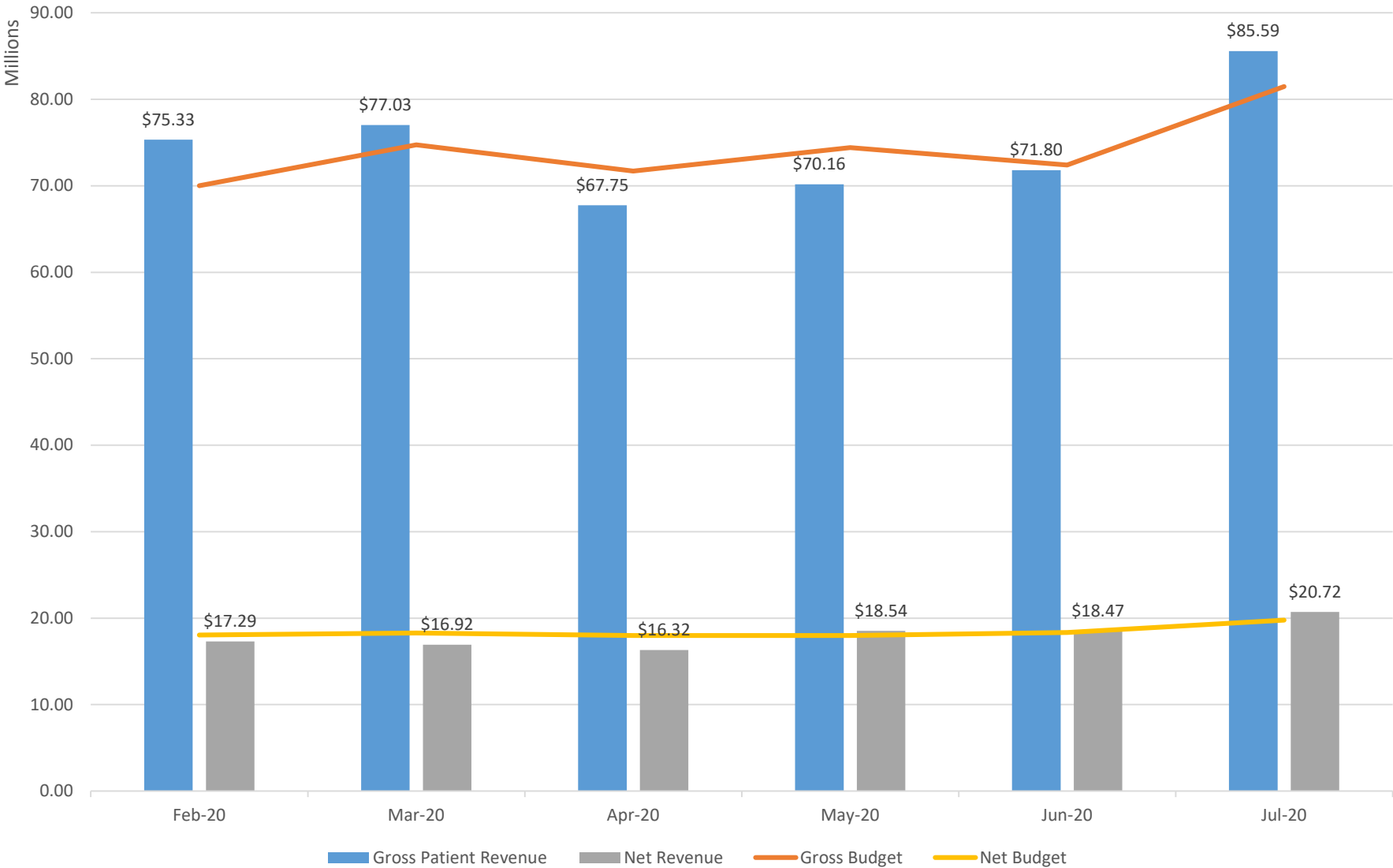
# Productivity



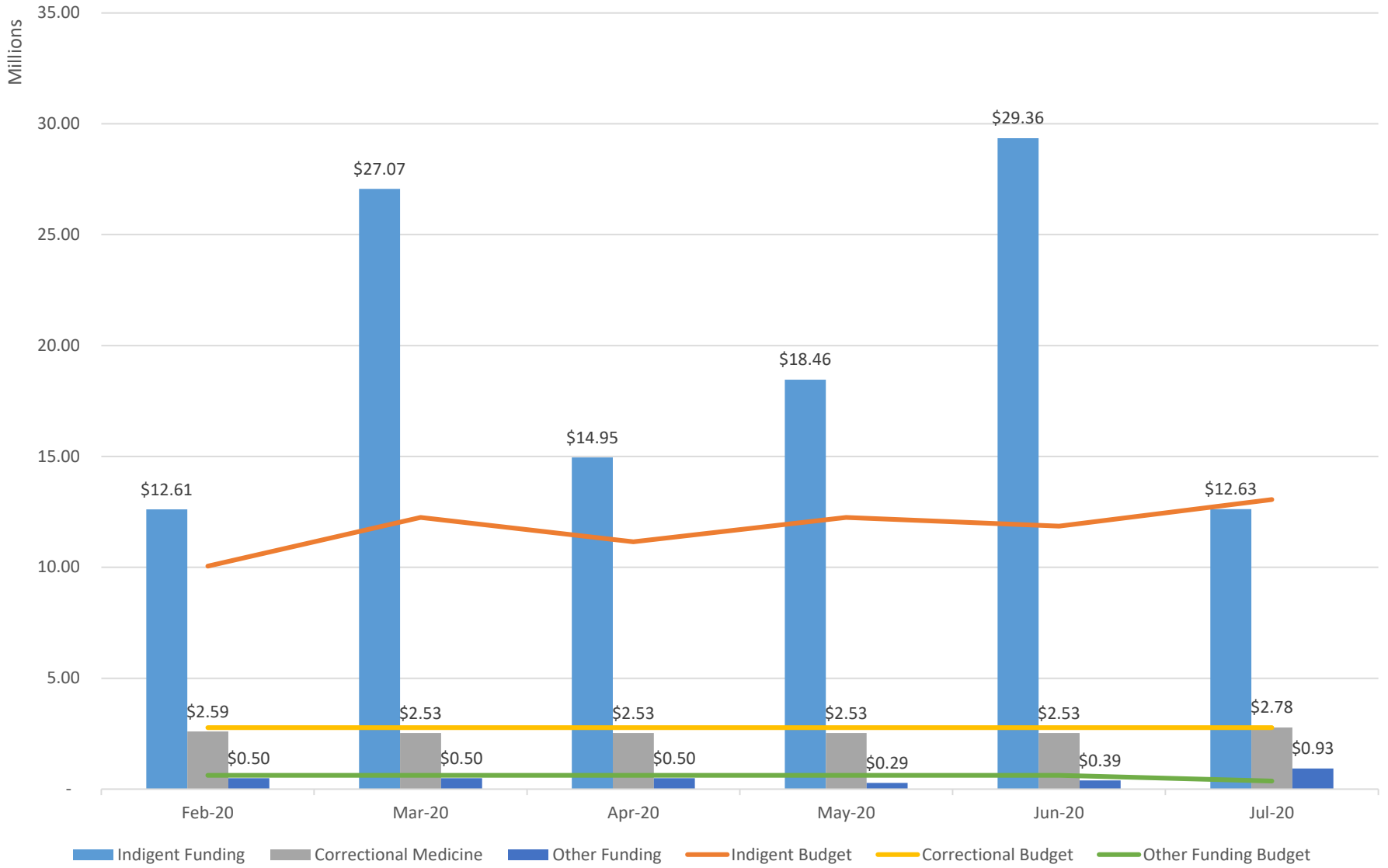
# Labor Metrics



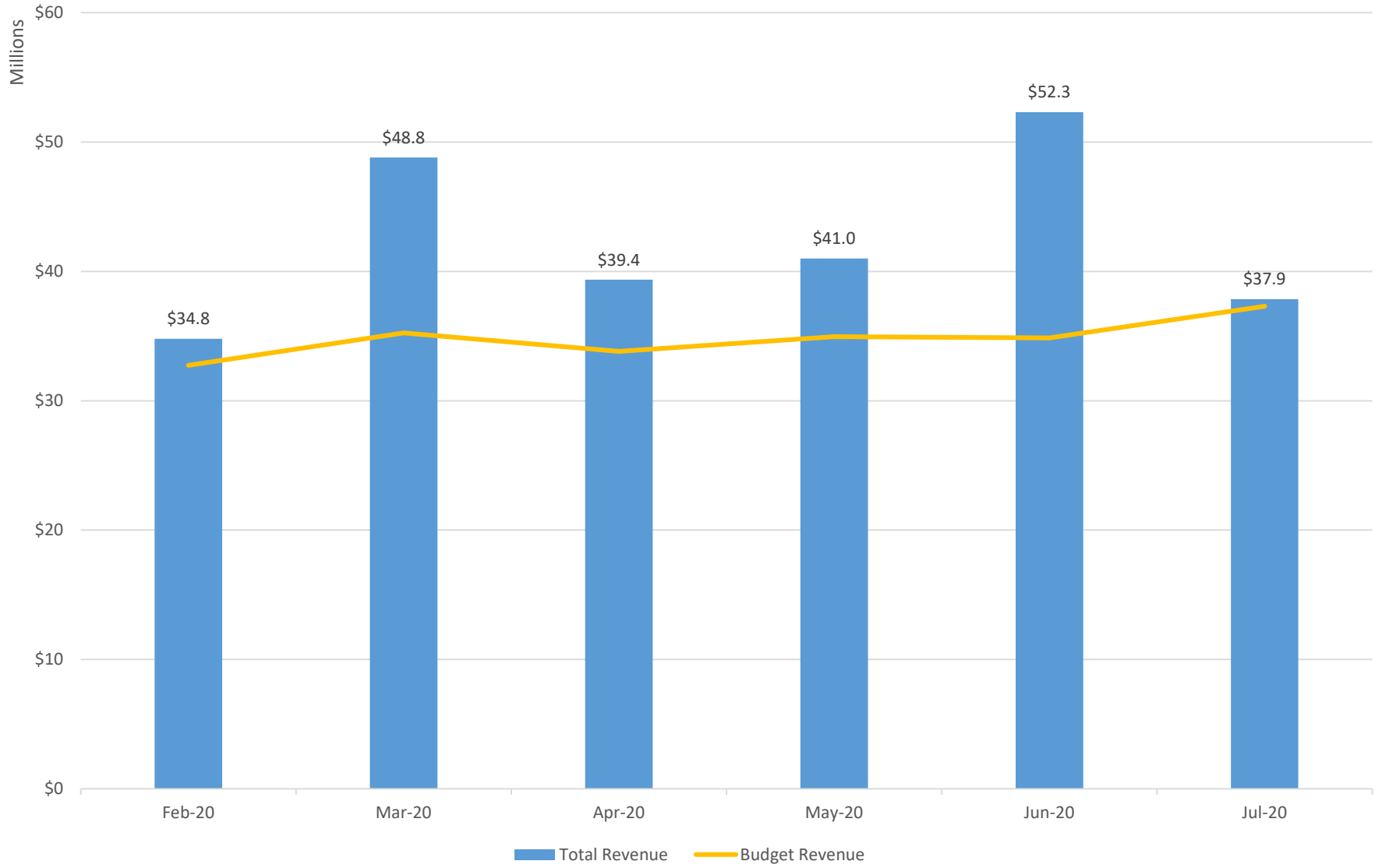
# Patient Revenue



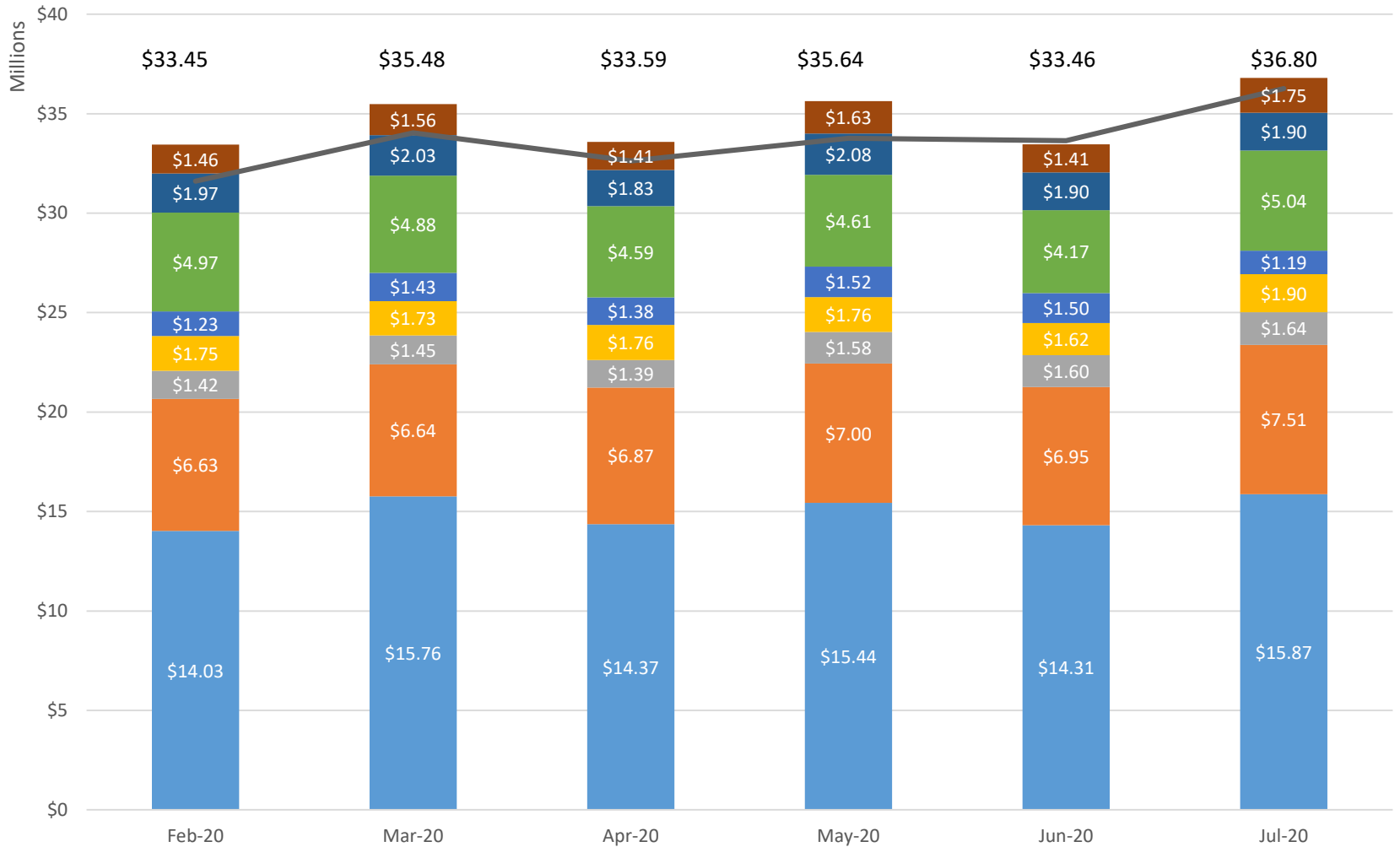
## Indigent & Correctional Revenue



## Total Revenue



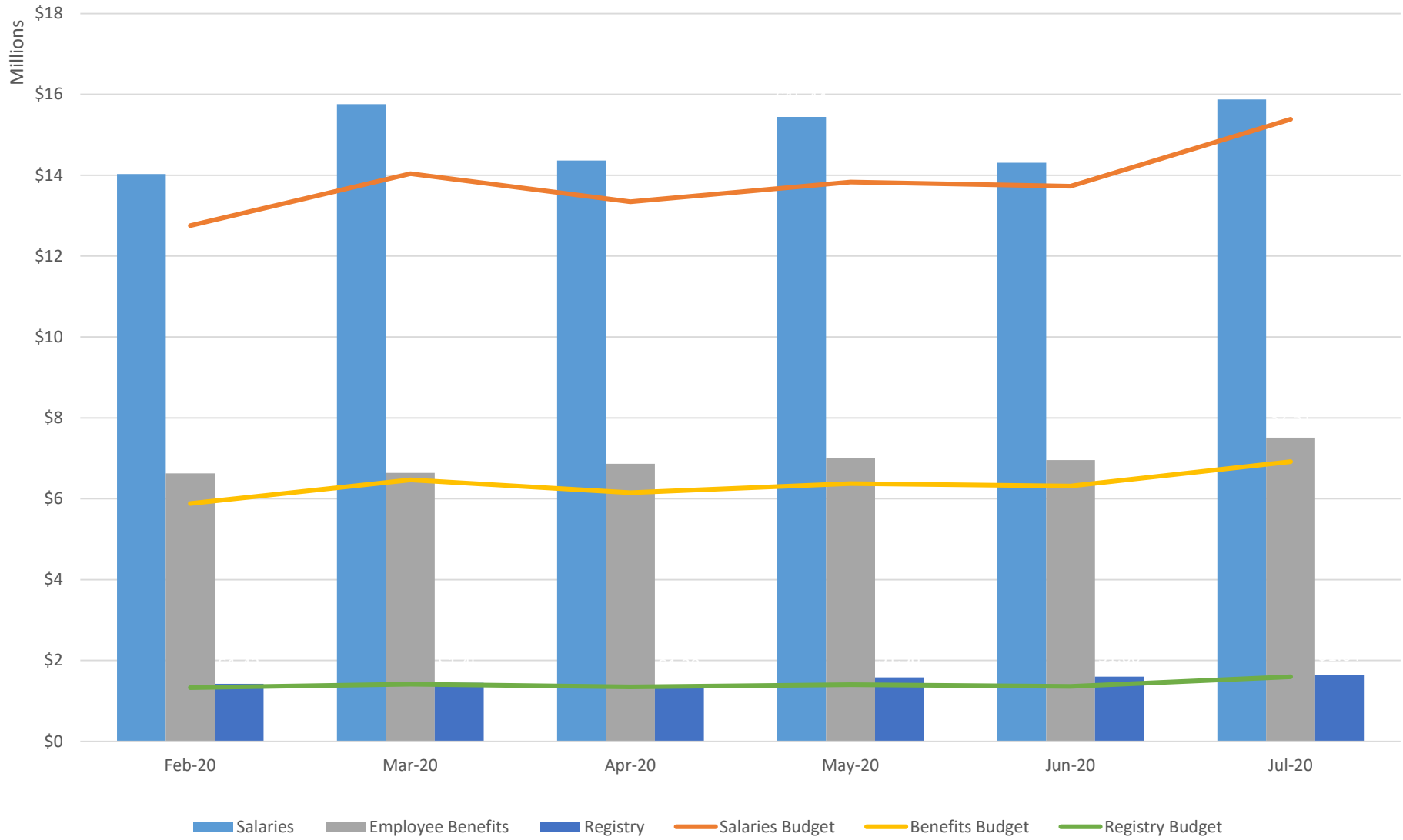
## Expenses



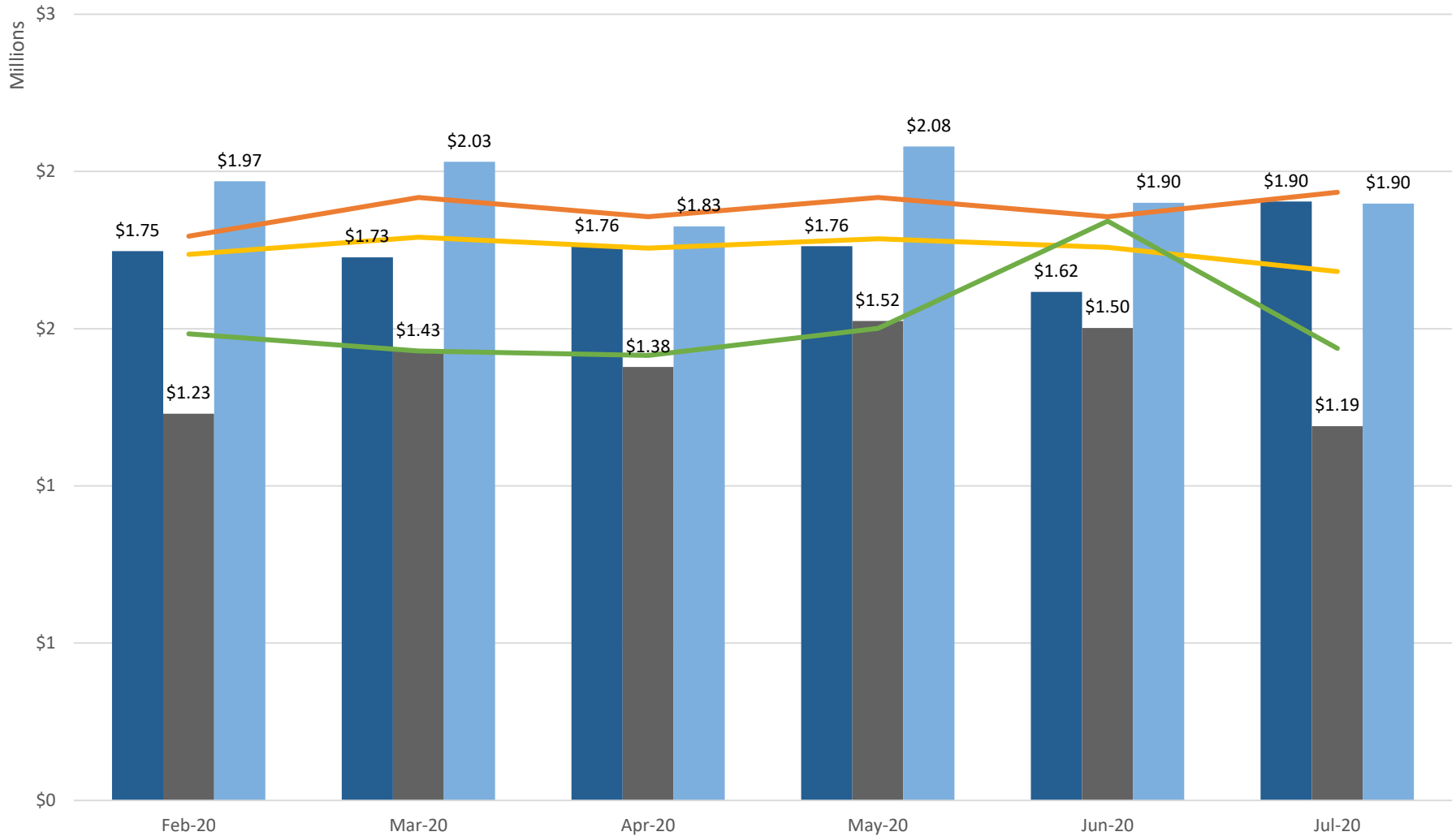
- Salaries
- Employee Benefits
- Registry
- Medical Fees
- Other Professional Fees
- Supplies
- Purchased Services
- Other Expenses
- Budget



## Salaries & Benefits

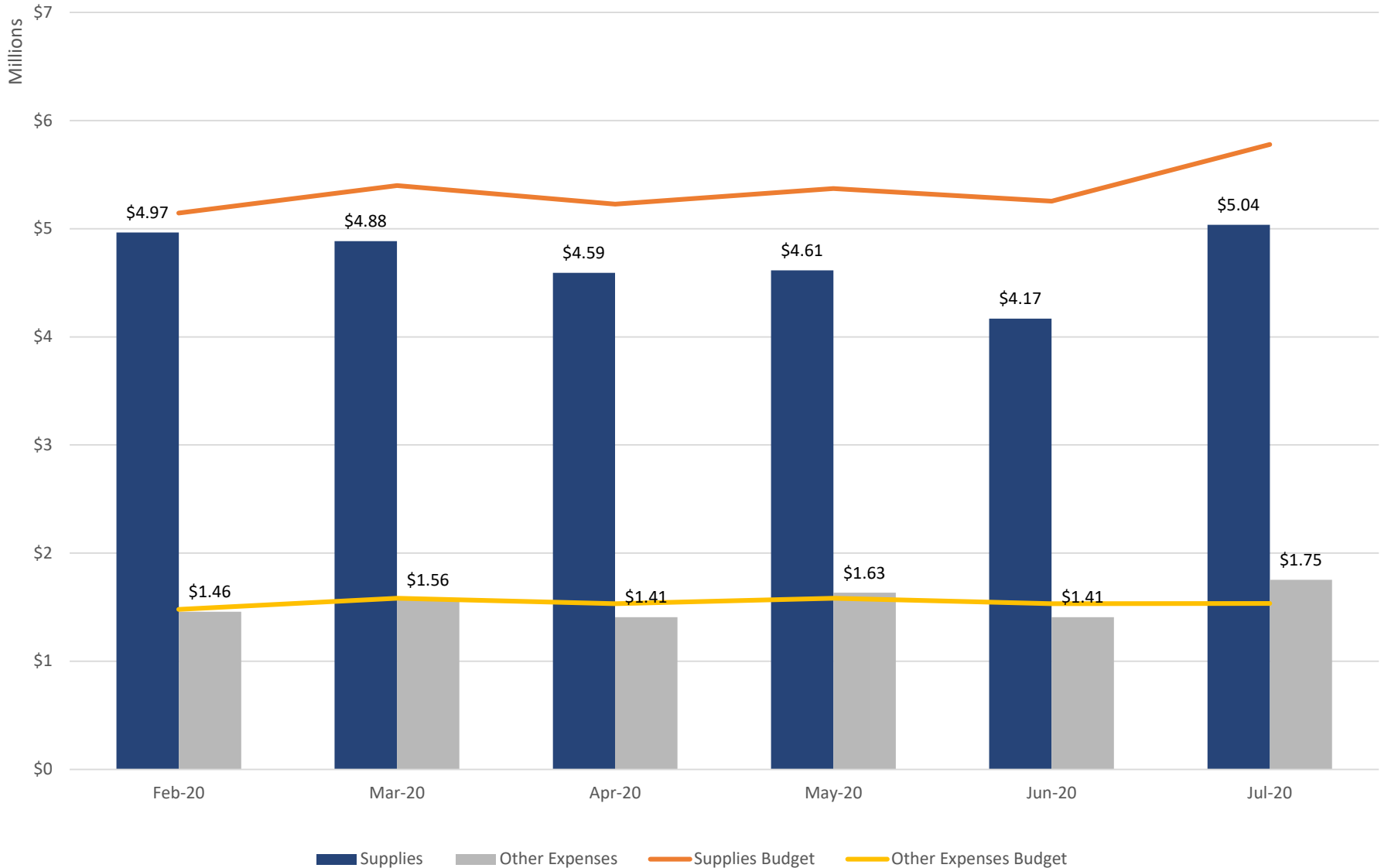


## Purchased Services, Medical, & Other Prof Fees

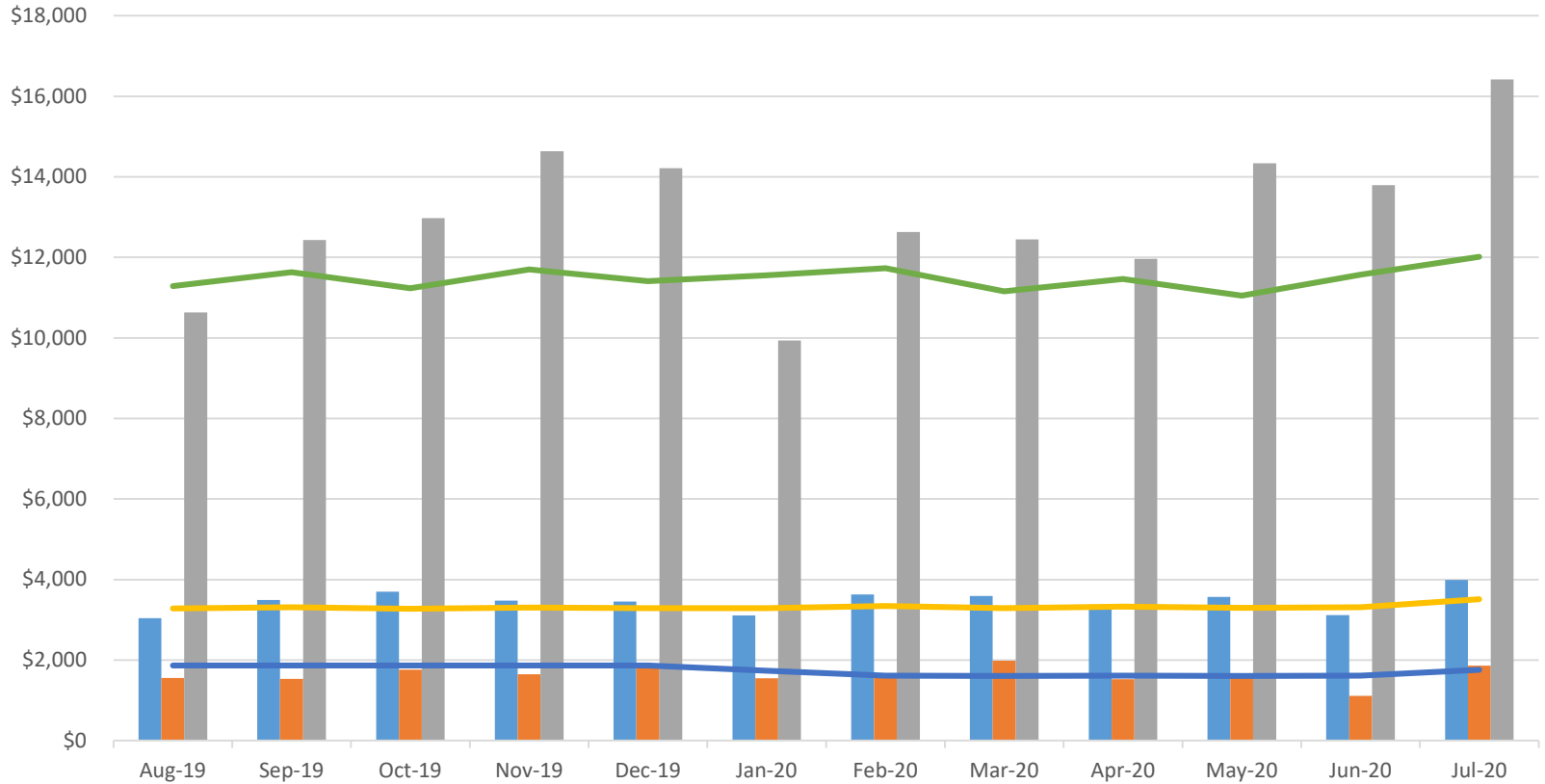


■ Medical Fees 
 ■ Other Professional Fees 
 ■ Purchased Services 
 — Medical Fees Budget 
 — Other Prof Budget 
 — Purchased Serv Budget

## Other Expenses & Supplies

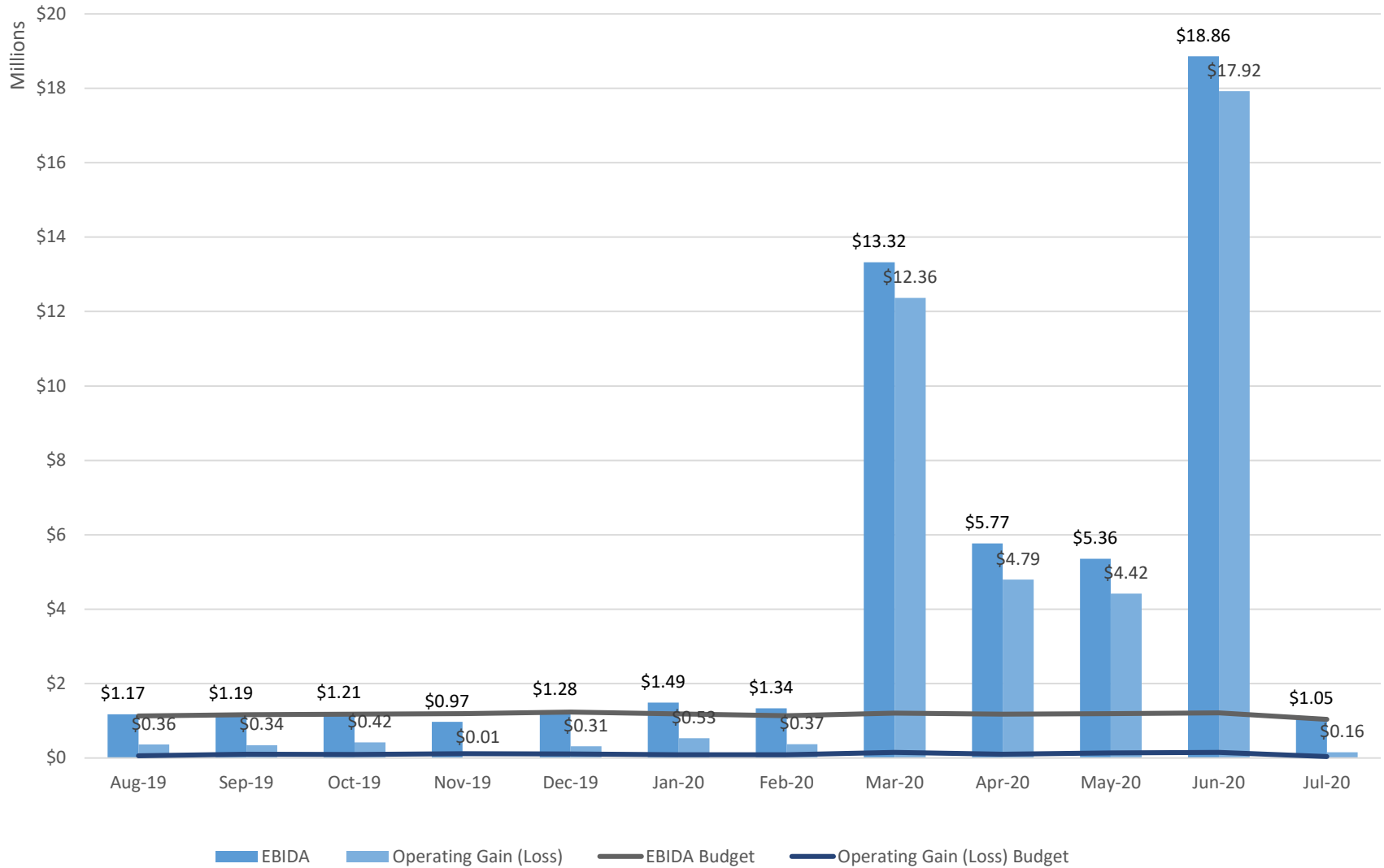


## Operating Metrics

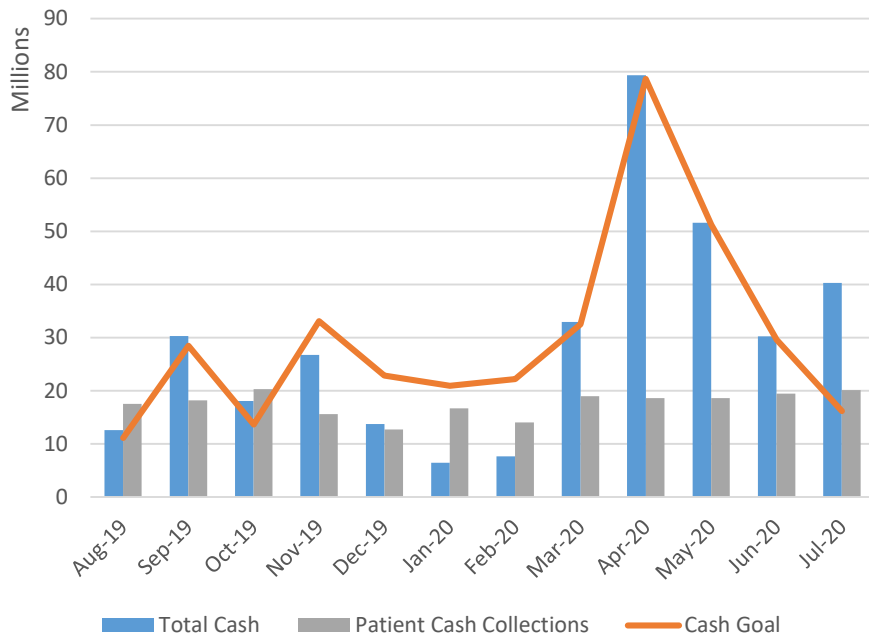


	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
Supply Expense per AA	\$3,040	\$3,492	\$3,703	\$3,474	\$3,457	\$3,110	\$3,627	\$3,592	\$3,365	\$3,568	\$3,114	\$3,990
Pharm Cost per AA	\$1,558	\$1,536	\$1,762	\$1,646	\$1,905	\$1,549	\$1,569	\$1,989	\$1,530	\$1,658	\$1,110	\$1,863
Net Revenue Per AA	\$10,636	\$12,428	\$12,972	\$14,631	\$14,212	\$9,934	\$12,632	\$12,444	\$11,963	\$14,333	\$13,794	\$16,417
Budget Supp/AA	\$3,286	\$3,313	\$3,277	\$3,303	\$3,293	\$3,291	\$3,343	\$3,293	\$3,330	\$3,298	\$3,314	\$3,513
Budget Pharm/AA	\$1,869	\$1,870	\$1,869	\$1,870	\$1,870	\$1,736	\$1,614	\$1,603	\$1,615	\$1,605	\$1,612	\$1,760
Budget Net Rev/AA	\$11,286	\$11,630	\$11,234	\$11,703	\$11,409	\$11,556	\$11,730	\$11,153	\$11,464	\$11,052	\$11,568	\$12,011

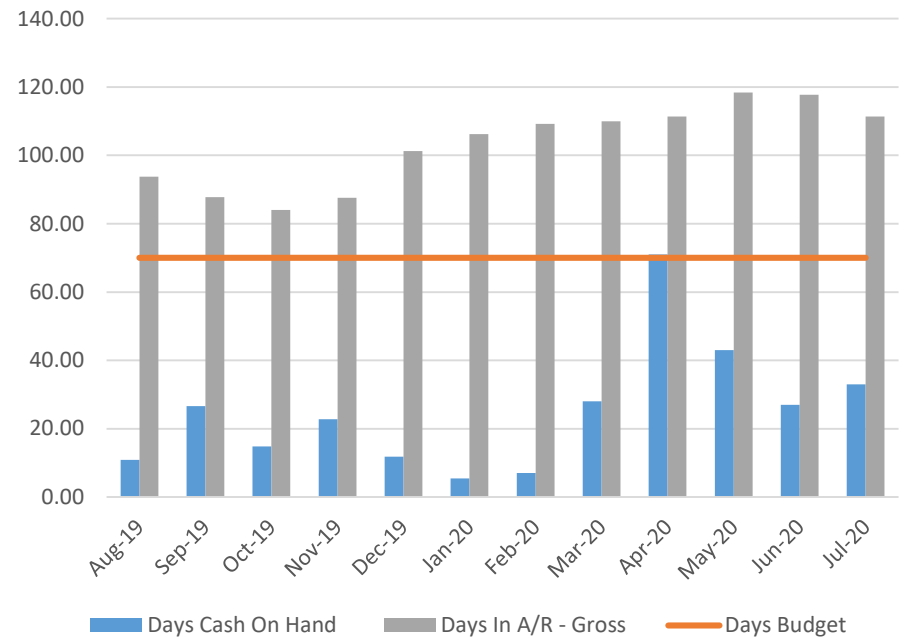
# EBIDA



### Cash



### AR Days



**KERN MEDICAL**  
**3-Month Trend Analysis: Revenue & Expense**  
 July 31, 2020

	MAY	JUNE	JULY	BUDGET JULY	VARIANCE POS (NEG)	PY JULY
<b>Gross Patient Revenue</b>	\$ 70,162,271	\$ 71,804,287	\$ 85,593,513	\$ 81,485,443	5%	\$ 73,013,853
Contractual Deductions	(51,621,878)	(53,338,250)	(64,872,744)	(61,726,075)	5%	(53,515,221)
<b>Net Revenue</b>	18,540,393	18,466,037	20,720,768	19,759,368	5%	19,498,633
Indigent Funding	18,463,096	29,356,407	12,629,251	13,055,802	(3%)	12,585,749
Correctional Medicine	2,527,068	2,527,068	2,777,083	2,777,068	0%	2,777,068
County Contribution	285,211	285,211	285,250	285,211	0%	284,951
Incentive Funding	0	104,660	640,227	83,333	668%	333,333
<b>Net Patient Revenue</b>	39,815,768	50,739,383	37,052,579	35,960,782	3%	35,479,734
Gain/(Loss) on Health-Related Entity	0	0	0	63,699	0%	(131,324)
Other Operating Revenue	1,168,062	1,561,064	792,456	1,268,658	(38%)	990,187
Other Non-Operating Revenue	9,460	17,431	8,868	9,686	(8%)	832
<b>Total Revenue</b>	40,993,290	52,317,879	37,853,903	37,302,825	1%	36,339,429
<b>Expenses</b>						
Salaries	15,439,012	14,306,965	15,872,728	15,383,699	3%	13,489,329
Employee Benefits	6,999,362	6,954,857	7,510,372	6,915,737	9%	6,977,656
Registry	1,584,782	1,601,302	1,640,686	1,600,837	2%	1,704,179
Medical Fees	1,761,883	1,616,857	1,904,074	1,681,930	13%	1,758,694
Other Professional Fees	1,524,381	1,502,196	1,190,198	1,436,904	(17%)	1,745,250
Supplies	4,614,646	4,169,141	5,035,687	5,778,512	(13%)	6,100,870
Purchased Services	2,079,292	1,899,919	1,897,536	1,933,343	(2%)	1,920,269
Other Expenses	1,634,186	1,407,853	1,753,585	1,535,001	14%	1,464,376
Operating Expenses	35,637,545	33,459,092	36,804,865	36,265,963	1%	35,160,622
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 5,355,745	\$ 18,858,787	\$ 1,049,037	\$ 1,036,862	1%	\$ 1,178,807
EBIDA Margin	13%	36%	3%	3%	(0%)	3%
Interest	202,776	183,420	168,646	233,654	(28%)	245,705
Depreciation	480,743	496,173	468,306	505,768	(7%)	512,155
Amortization	256,258	256,257	256,257	258,834	(1%)	76,688
Total Expenses	36,577,321	34,394,943	37,698,075	37,264,219	1%	35,995,170
<b>Operating Gain (Loss)</b>	\$ 4,415,969	\$ 17,922,936	\$ 155,828	\$ 38,606	304%	\$ 344,260
<b>Operating Margin</b>	10.8%	34.3%	0.4%	0.10%	298%	1%

**KERN MEDICAL**  
**Year-to-Date Trend Analysis: Revenue & Expense**

July 31, 2020

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>Gross Patient Revenue</b>	\$ 85,593,513	\$ 81,485,443	5%	\$ 73,013,853	17%
Contractual Deductions	(64,872,744)	(61,726,075)	5%	(53,515,221)	21%
<b>Net Revenue</b>	20,720,768	19,759,368	5%	19,498,633	
Indigent Funding	12,629,251	13,055,802	(3%)	12,585,749	0%
Correctional Medicine	2,777,083	2,777,068	0%	2,777,068	0%
County Contribution	285,250	285,211	0%	284,951	0%
Incentive Funding	640,227	83,333	668%	333,333	92%
<b>Net Patient Revenue</b>	37,052,579	35,960,782	3%	35,479,734	4%
Gain/(Loss) on Health-Related Entity	0	63,699	0%	(131,324)	0%
Other Operating Revenue	792,456	1,268,658	(38%)	990,187	(20%)
Other Non-Operating Revenue	8,868	9,686	(8%)	832	966%
<b>Total Revenue</b>	37,853,903	37,302,825	1%	36,339,429	4%
<b>Expenses</b>					
Salaries	15,872,728	15,383,699	3%	13,489,329	18%
Employee Benefits	7,510,372	6,915,737	9%	6,977,656	8%
Registry	1,640,686	1,600,837	2%	1,704,179	(3.7%)
Medical Fees	1,904,074	1,681,930	13%	1,758,694	8%
Other Professional Fees	1,190,198	1,436,904	(17%)	1,745,250	(32%)
Supplies	5,035,687	5,778,512	(13%)	6,100,870	(17%)
Purchased Services	1,897,536	1,933,343	(2%)	1,920,269	(1%)
Other Expenses	1,753,585	1,535,001	14%	1,464,376	20%
Operating Expenses	36,804,865	36,265,963	1%	35,160,622	5%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,049,037	\$ 1,036,862	1%	\$ 1,178,807	(11%)
EBIDA Margin	3%	3%	(0%)	3%	(15%)
Interest	168,646	233,654	(28%)	245,705	(31%)
Depreciation	468,306	505,768	(7%)	512,155	(9%)
Amortization	256,257	258,834	(1%)	76,688	234%
Total Expenses	37,698,075	37,264,219	1%	35,995,170	5%
<b>Operating Gain (Loss)</b>	\$ 155,828	\$ 38,606	304%	\$ 344,260	(55%)
<b>Operating Margin</b>	0%	0.1%	298%	1%	(57%)



**KERN MEDICAL  
BALANCE SHEET**

	JULY 2020	JULY 2019
<b>ASSETS:</b>		
<i>Total Cash</i>	<b>\$ 40,277,586</b>	<b>\$ 15,614,076</b>
Patient Receivables Subtotal	275,397,279	\$ 199,948,425
Contractual Subtotal	(213,854,256)	\$ (154,083,981)
<i>Net Patient Receivable</i>	<b>61,543,023</b>	<b>\$ 45,864,444</b>
Total Indigent Receivable	122,814,586	\$ 126,974,839
Total Other Receivable	8,094,461	\$ 12,412,139
Total Prepaid Expenses	3,643,447	\$ 4,600,668
Total Inventory	5,953,876	\$ 5,580,969
<b><i>Total Current Assets</i></b>	<b>242,326,980</b>	<b>211,047,134</b>
Deferred Outflows of Resources	85,573,671	73,627,076
Investments Deposited with Trustee	0	931,830
Total Land, Equipment, Buildings and Intangibles	194,510,134	159,918,875
Total Construction in Progress	17,256,571	34,805,787
<b><i>Total Property, Plant &amp; Equipment</i></b>	<b>211,766,706</b>	<b>194,724,662</b>
Total Accumulated Depr & Amortization	(116,405,997)	(108,004,041)
<b><i>Net Property, Plant, and Equipment</i></b>	<b>95,360,709</b>	<b>86,720,621</b>
<b><i>Total Long Term Assets</i></b>	<b>85,573,671</b>	<b>74,558,905</b>
<b><i>Total Assets</i></b>	<b>\$ 423,261,360</b>	<b>\$ 372,326,661</b>

**KERN MEDICAL  
BALANCE SHEET**

	<b>JULY 2020</b>	<b>JULY 2019</b>
<b>LIABILITIES &amp; EQUITY:</b>		
Total Accounts Payable	\$ 20,836,467	\$ 22,810,356
Total Accrued Compensation	30,605,172	22,567,615
Total Due Government Agencies	34,198,425	51,555,570
Total Other Accrued Liabilities	68,488,742	52,655,264
<b><i>Total Current Liabilities</i></b>	<b>154,128,807</b>	<b>149,588,805</b>
Unfunded Pension Liability	307,234,709	293,255,458
Other Long-Term Liabilities	103,115,962	124,721,867
<b><i>Total Long-Term Liabilities</i></b>	<b>410,350,671</b>	<b>417,977,325</b>
<b><i>Total Liabilities</i></b>	<b>564,479,478</b>	<b>567,566,130</b>
<hr/>		
Fund Balance	36,913,884	36,714,021
Retained Earnings	(178,132,002)	(231,953,491)
<b><i>Total Fund Balance</i></b>	<b>(141,218,118)</b>	<b>(195,239,470)</b>
<hr/>		
<b><i>Total Liabilities and Fund Balance</i></b>	<b>\$ 423,261,360</b>	<b>\$ 372,326,661</b>
<hr/>		



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 16, 2020

**Subject:** Kern County Hospital Authority Chief Executive Officer Report

**Recommended Action:** Receive and File

**Summary:**

The Chief Executive Officer of the Kern County Hospital Authority will provide your Board with a hospital-wide update.



August 19, 2020

**HAND DELIVERED**

Russell E. Bigler, Chairman  
Board of Governors  
Kern County Hospital Authority  
1700 Mount Vernon Avenue  
Bakersfield, CA 93306

Re: Resignation from Kern County Hospital Authority Board of Governors

Dear Mr. Bigler:

Please accept my resignation from my position on the Board of Governors of the Kern County Hospital Authority, effective September 30, 2020. As you know, I am retiring from my position as Chief Executive Officer of Aera Energy at the end of September and relocating out of state.

It has been a privilege being a part of the hospital authority's inaugural Board. I am so proud of all we have accomplished in the past four years since our first meeting in March 2016, and I have no doubt the Board will continue these successes into the future.

If I can be of any assistance during the time it will take to fill the position, please do not hesitate to ask.

Best Regards,

A handwritten signature in cursive script that reads "Christina S. Sistrunk".

Christina Sistrunk

cc: Members, Board of Governors  
Russell V. Judd

Owned and Operated by the Kern County Hospital Authority  
A Designated Public Hospital  
1700 Mount Vernon Avenue | Bakersfield, CA 93306 | (661) 326-2000 | KernMedical.com

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(j)(2)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 16, 2020, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

  X   Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

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  X   Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on September 16, 2020, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

- X   CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Kern County Hospital Authority, a public entity, and successor in interest to the County of Kern v. The United States of America, et al., United States District Court, Eastern District of California Case No. 1:19-cv-00474-DAD-JLT –